

## 5 TIPS: SUCCEEDING WITH HEALTH REFORM IN 2014

**T**he Affordable Care Act (ACA) turns four on March 23, 2014. However, even though the ACA has been around for years, it kicks into high gear this year with market focused provisions designed to create new healthcare delivery and insurance systems. While 2014 promises to be a challenging year, administrators can take 5 practical steps to position their firms to win big in this new marketplace.

### 1. Invest in Benefit Management Systems

Do you have an effective tool to administer your firm's benefit plans? Online systems that allow you to electronically process and manage your employee enrollments have been around for many years but are more important than ever with the increased complexities ushered in by the ACA. New rating and underwriting systems will make the renewal process more painstaking. These systems can help firm administrators significantly increase efficiency and compliance efforts. For example, ACA required employee communications such as the Summary of Benefits and Coverage and Notice of Exchange can be quickly and easily managed through an effective online benefit management system. These systems can also be used to run reports and analyze exposure to looming ACA compliance risks such as the Employer Mandate and the Cadillac Tax liability.

### 2. Add Telemedicine

With millions of newly insured patients expected in California due to health reform, experts are predicting a shortage of primary care physicians in 2014 and the years to come. The new normal looks to become crowded offices, shorter visits and longer lead times to schedule appointments. In fact, concern for California's physician shortage has been so acute that SB 491 was advanced to expand the role of nurse practitioners in treating patients in California.

Telemedicine services such as live chats, email consultations and web based appointments offer a new channel for physician consultations that can side-step the clogged traditional physician-patient setting. These services should be added as a compliment to a firm's existing medical insurance to ensure that employees continue to have meaningful access to physicians. Otherwise, employers risk having a less healthy work force as employees have one more excuse to avoid the doctor's office.

### 3. Enlist Health Experts

The billing and record keeping systems for the health care industry are undergoing enormous change. The current ICD-9 billing system that has been used by hospitals, physicians and payors for decades will be replaced in 2014 by the ICD-10 system which increases the number of billing codes tenfold. Simultaneously, to comply with the HITECH Act, medical providers are transitioning to electronic record keeping all while trying to adjust to a flood of new patients with new "marketplace" coverage. An unintended byproduct of these historic changes may be a greater frequency of errors and issues when employees use their health insurance plans during this transition.

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Employers should prepare for these systemic issues by adding an advocacy service to the firm's benefit package. Companies such as Health Advocate provide personal experts to represent employees and resolve claims, enrollment and other healthcare issues. Although administrators and their brokers may have handled these issues in the past, the new complexities and increased volume will require a more robust solution.

## 4. Establish Reliable Compliance Systems

Since passage of the ACA, an estimated 10,000 pages of regulations have been issued. In 2013 alone, rules and guidance were issued that delayed the employer mandate, modified section 125 and FSA rules and clarified use of HRAs among other things. It is safe to assume that 2014 will be an active regulatory year as the marketplaces continue their roll out and the 2015 employer mandate nears. Therefore, a robust compliance system is a must. Firms should ensure that their benefits brokers deliver clear and timely legislative updates. More importantly, firms should insist on having day-to-day contacts that can explain evolving issues and deliver guidance on how legislative changes affect current operations and/or future strategies.

## 5. Prepare for Future Renewals Now

Firms in the small group market (2-50 employees) should expect hefty premium increases starting at their renewal in 2014. This small group market will be significantly impacted by new underwriting standards and plan mandates including "Essential Health Benefits" required by the ACA. Mid-sized firms will also be caught in this web starting in 2016 when the definition of small group is expanded to include firms with up to 100 employees. Further, with the "Cadillac Tax" set to kick in in 2018, firms may be forced to change plan designs significantly to avoid being subject to this provision's 40% penalty.

With these new challenges come new strategies such as private exchanges, partially self-funding and pinpoint networking. However, these new strategies involve fundamental changes to how employers fund coverage and how employees access care. Therefore, firms are well advised to start vetting strategies now and plotting a path to implementation if necessary as some strategies may require a long "runway" for employee acceptance. Employee surveys and other internal marketing efforts can be a great way to not only build support for future programs but also create plans that emphasize what employees value most while minimizing other potentially costly features.

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