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TO: ALL GROUP HEALTH CLIENTS

FROM: GREENBERG & ASSOCIATES INSURANCE

DATE: OCTOBER 5, 2011

RE: MEDICARE AND 2012 REFORM UPDATES

As many of you may be aware, the annual open enrollment period for Medicare beneficiaries to be allowed to change their coverage or change their plan providers is fast approaching October 5, 2011. We wanted to let you know that Sharon Greenberg has become Medicare Certified and will now be able to answer questions or assist Medicare beneficiaries at this time. CMS regulates heavily who can or cannot even speak to a Medicare beneficiary; therefore, we have not been able to provide this service to you in the past. But, going forward, we now have an in house Medicare Certified consultant to answer all of your questions! Give Sharon a call at any time if you have questions relating to Medicare and Medicare Supplemental coverage for yourself, your employees or other family members!

On the Health Care Reform front, there is not a lot of activity to be noted for 2012....yet! Things are moving ahead in the State of Oregon in the establishment of our Exchange which will be operational January 1, 2014. The Legislature established by law before they convened last session that we will have a State run Exchange, but, they have not yet provided any guidance or rules as to how the Exchange will actually be administered yet. They have established a board that has been charged with setting up the guidelines and rules for the Exchange. The board was just appointed this past month. It is anticipated that when the Legislature reconvenes in early 2012, that the board will present their initial framework to the Legislature. Therefore, at this time, we don't even know if the Exchange will include just employer groups with up to 50 employees, or, will be expanded to include those up to 100! As we know more, we will be letting you know.

Following is a brief summary of the healthcare reform provisions that will be taking effect in 2012:

- Four Page Summary of Benefits: Effective May 23, 2012 all carriers will be required to provide a uniform four page Summary of Benefits
- W-2 Reporting: Employers must include aggregate cost of employer-sponsored health coverage on annual W-2 forms (informational only). There has been a "Special Transition Rule" implemented for Small Employers that filed fewer than 250 W-2's in the prior year. They will not be required to report the cost of health coverage provided to employees for 2012 until further guidance is received. But, it is important that you work with your payroll vendor or CPA to be sure to know what your "specific" business is required to do for 2012.
- Quality of Care Reporting: By March 23, 2010 DHHS is to develop quality reporting requirements to be used by group and individual health plans about their coverage benefits and provider reimbursement structures that improve health outcomes, prevent hospital readmissions, improve patient safety and reduce medical errors and implement wellness and health promotion activities. All group health plans (including self-insured plans) and individual health plans will be required to annually submit DHHS and to plan enrollees whether their benefits include the specified components.
- CLASS Act (Community Living Assistance Services and Supports Act): The program is set to become operation in 2012 after regulations are clarified by DHHS. However, it looks like it may be pended for a future implementation date, or, possibly repealed. This is currently under review.
- Grants for Comprehensive Wellness: Currently, the grant money and program are under review by the Congressional Appropriations Committee. Anticipated to know more early in 2012.

In addition, keep in mind that if you are a small employer you may qualify again in 2011 for the Small Business Health Care Tax Credit. Be sure to check with your CPA to see if you meet the criteria. The tax credit is up to a 35% of non-elective contributions towards employee premium costs so can be substantial.

Please don't hesitate to contact us if you have any questions regarding these changes.

Sharon Greenberg and Adrienne Hutchins