The Jefferson Health Plan

The latest JHP news and announcements

October 2022
Issue 2022-04

JHP Semi-Annual Membership Meeting & Educational Seminar

Wednesday, 10/26 & Thursday, 10/27
The Columbus Marriott Northwest - 5605 Blazer Parkway, Dublin

Wednesday, October 26

4:00 – 6:00 pm	Semi-Annual Membership Meeting
6:00 – 8:00 pm	Hospitality

Thursday, October 27

7:30 – 8:30 am	Buffet Breakfast
8:20 – 8:45 am	Registration
8:45 – 8:50 am	Greeting & Announcements
8:50 – 9:50 am	Technology Best Practices
9:50 – 10:00 am	Break – Presenter's Tables & Visit with Vendors
10:00 – 11:00 am	Understanding Prescription Drugs Q&A – Ask a Pharmacist
11:00 – 11:40 am	Representative Seitz
11:40 – 12:40 pm	Lunch
12:40 – 1:20 pm	Financial Best Practices and Processes
1:20 – 2:05 pm	HIPAA Certification
2:05 – 2:15 pm	Break – Presenter's Tables & Visit with Vendors
2:15 – 2:40 pm	Wellness Program Success Story – City of Marysville
2:40 – 3:00 pm	Beacon – Learn About TalkSpace – New EAP Feature
3:00 – 3:15 pm	Questions & Answers & Conclusion

To register click this link:
https://www.thejeffersonhealthplan.org/protected/EventView.aspx?id=83BUGI320

Attention Brokers . . .

As a Distribution Partner, you are invited and encouraged to join us to learn more about JHP and receive important JHP updates.

Wednesday, 10/26 – 11:00 a.m. – 1:00 p.m.

Lunch will be provided

The Columbus Marriott Northwest – 5605 Blazer Parkway, Dublin

RSVP to Jen Motter at jmotter@thejeffersonhealthplan.org

The JHP Semi-Annual Membership Meeting to follow at 4:00 p.m.

Finance Update

Annual Actuarial Valuation Reports

Annual reports are prepared by the JHP's contracted Actuarial Firm in accordance with the requirements of ORC 9.833.

Reports for June 30, 2022 were uploaded to the Gilmore, Jasion, Mahler (GJM) ShareFile site in late September for all members.

If you need access to the GJM ShareFile site, please contact your Account Manager.

Current and historical reports are available on the site.

Documents for each fiscal year include:

- JHP Actuarial Valuation Report
- Member specific "Liability and Funded Status Detail" which includes the ***Incurred But Not Reported*** (IBNR) amount used in your financial statements.

Account Management Update

Experts are predicting a bad flu season this year based on results in Australia. They look to the southern hemisphere to predict the northern hemisphere's flu season. The following article was copied from Prevention Health website from RxBenefits:

Flu season has almost always been a predictable part of every winter, but the COVID-19 pandemic threw things out of whack. The 2020-2021 flu season was practically non-existent due to COVID-19 precautions and lockdowns, and last year's flu season was definitely mild compared to pre-pandemic years.

But many health experts are predicting the 2022-2023 flu season will be a severe one. A big reason? Australia, which is in the southern hemisphere and experiences its flu season before ours, had a doozy of a flu season.

The country had its worst flu season in five years, with cases being three times higher than average according to government surveillance reports. Flu cases also peaked about two months earlier than usual, signaling the country had an early onslaught of the flu.

"The Southern Hemisphere has had a pretty bad flu season, and it came on early," Anthony Fauci, M.D., director of the National Institute of Allergy and Infectious Diseases, told Bloomberg late last month. "Influenza, as we all have experienced over many years, can be a serious disease—particularly when you have a bad season."

Why might this flu season be bad and what can you do to prepare now? Infectious disease experts break it down.

Why might this year's flu season be bad?

Infectious disease and public health experts in the Northern hemisphere generally look to what's happening in the Southern hemisphere as a predictor of where things will go during our winter, explains Amesh A. Adalja, M.D., infectious disease expert and senior scholar at the Johns Hopkins Center for Health Security. "The planet has two hemispheres which have opposite respiratory viral seasons," he says. "Therefore, Australia's flu season—which is just ending—is often predictive of what will happen in the Northern hemisphere."

Based on what just happened in Australia "it does appear that we will not be spared another flu season," Dr. Adalja says.

William Schaffner, M.D., infectious disease specialist and professor at the Vanderbilt University School of Medicine, agrees. "Although what happens in the Southern hemisphere doesn't always predict directly what will happen here, we are well advised to be prepared," he says.

It's also concerning that many people haven't been exposed to the flu over the past few years due to COVID-19 restrictions and low circulating levels of the flu, says Thomas Russo, M.D., professor and chief of infectious disease at the University at Buffalo in New York. "Immunity to respiratory viruses, including the flu, wanes over time," he says. "People have not seen the virus naturally for a couple of years and many individuals don't get the flu vaccine." That, he says, raises the risk that people who are unvaccinated against the flu will develop more severe cases if they do happen to get infected.

This is the first winter where COVID-19 restrictions have been lifted in most areas of the country, including on public transportation, Dr. Russo says. "People are interacting closely again and there are very few mandates," he says. "That's a set-up for increased transmission of influenza and other respiratory viruses."

How to protect yourself against the flu now

Flu season in the U.S. generally picks up in October, peaks between December and February, and can last until May, according to the Centers for Disease Control and Prevention (CDC). That's why it's a good idea to get your flu shot before Halloween, if you can, Dr. Schaffner says.

"The most important thing people can do is to get vaccinated against influenza," he says. "People have been so preoccupied with COVID that they've forgotten about influenza, but the flu can also be severe."

It's also not a bad idea to stock up on high quality masks, like N95s, Dr. Russo says. "Masks work at preventing COVID-19 and the flu," he says.

If you're considered high risk for serious complications of the flu and cases start to creep up in your area, Dr. Schaffner recommends masking up in crowded indoor spaces.

Overall, experts shouldn't expect the mild flu seasons we've enjoyed lately to last. "I think we will definitely get a more significant flu season than last year," Dr. Russo says. "It's important to be ready"

BEACON EAP offers support for stress management, work/life balance, legal issues, grief and loss, debt management, etc. via website or in-person consultation. The EAP offers 1-5 counseling sessions per issue, per year.

Talkspace is a new addition to the EAP. It's a digital platform that supports behavioral health and emotional wellness needs from a secure, HIPAA-compliant app. Over the last decade, Talkspace has supported more than 2.9 million adults, teens, and couples with online counseling and therapy.

With Talkspace, one session generally equals one week of access and the ability to send unlimited messages to your therapist, or one completed live video.

talkspace beacon health options

IRS Announced Indexing Adjustments for 2023 Employer Health Plan Affordability

Under the Affordable Care Act's (ACA) employer shared responsibility rules, applicable large employers (ALEs) are required to offer affordable, minimum essential coverage (MEC) to their full-time employees (and offer coverage to the full-time employees' dependents), or risk paying a penalty to the IRS. I.R.C. § 4980H. An ALE's health coverage is considered affordable if an employee's required contribution for the lowest-cost, self-only option with minimum value does not exceed an annually indexed percentage of the employee's household income. The IRS annually adjusts the affordability threshold by considering the ratio of premium growth to income growth in the preceding calendar year. The adjusted percentage was 9.61% for the taxable year 2022. Recently, in IRS Rev. Proc 2022-34, the IRS announced that an employer-sponsored health coverage will satisfy the ACA affordability requirement *for plan years beginning with January 1, 2023* if the lowest-cost, self-only coverage option an ALE offers does not exceed 9.12% of an employee's household income.

The adjusted percentage applies on a plan-year—not calendar-year—basis, and noncalendar-year plans will continue to use 9.61 percent to determine affordability in 2023 until their new plan year starts.

Because employers are not likely to know the household income of their employees, there are three safe harbors under which an employer could determine affordability based on information that is readily available to the employer. These three safe harbors are:

- Employees' W-2 wages, as reported in Box 1, generally as of the first day of the plan year.
- Employees' rate of pay, which is the hourly wage rate multiplied by 130 hours per month as of the first day of the plan year or, for salaried employees, 9.12 percent of the monthly salary as of the first day of the 2023 coverage period.
- The federal poverty level, as published by the Department of Health and Human Services near the start of the new year.

These safe harbors are all optional. An employer may choose to use one or more of these safe harbors for all of its employees or for any reasonable category of employees, provided it does so on a uniform and consistent basis for all employees in a category.

ALEs (employers with 50 or more full-time and full-time equivalent employees, on average, in the prior calendar year) should be aware of the above updated, reduced affordability percentage for plan years beginning in 2023, when determining their group health plan offerings (for 2023 Maximum Out-Of-Pocket/HDHPs/HSAs Limits, *see* the JHP's Newsletters Issue 2022-02 & Issue 2022-03) and contribution strategies for the upcoming plan year since failure to offer affordable, minimum value coverage to full-time employees may result in employer shared responsibility penalties. Because this affordability percentage decreased, an employer may end up with an unaffordable offer of coverage if 2023 health plan rates are the same as 2022. To maintain affordability, an employer may have to lower health plan rates in 2023. Employers that set their health insurance premiums based on ACA affordability should consider carefully reviewing their rates, and may contact a JHP Account Manager who will provide suggestions as to the JHP's unique minimum value plan.

Inflation Reduction Act of 2022

The Inflation Reduction Act of 2022 (IRA), 117 P.L. 169, 2022 Enacted H.R. 5376, was signed into law by President Joe Biden on Aug. 16, 2022. While the new law largely focuses on climate change mitigation and deficit reduction, it also contains several provisions impacting group health plans that are of importance. The Act includes two key changes in the health and welfare plans context. Here are highlights:

Insulin-Related HDHP Safe Harbor: the Internal Revenue Code § 223 is amended to provide the expansion of coverage of insulin under high deductible health plans (HDHPs).

To be eligible to contribute to a Health Savings Account (HSA), an individual must be covered by an HDHP. To qualify as an HDHP, the plan generally may not provide benefits for any year until the minimum deductible for that year is satisfied. However, an HDHP is not required to have a deductible for preventive care (as defined for purposes of the HDHP/HSA rules). *See* § 223(c)(2)(C). IRS Notice 2019-45 expanded the preventive care safe harbor to allow predeductible HDHP coverage of specific medications and supplies for certain chronic conditions, including insulin and other glucose lowering agents for individuals diagnosed with diabetes. The IRA amends the rules by allowing an HDHP to cover "selected insulin products" prior to the deductible, without regard to whether the individual has been diagnosed with diabetes. "Specified insulin products" under the IRA are defined as any dosage form (including vial, pump, or inhaler) of any type of insulin (rapid-acting, short-acting, intermediate-acting, long-acting, ultra long-acting, and premixed).

This new safe harbor for coverage of insulin by an HDHP applies to plan years beginning on or after December 31, 2022.

Extension of Expanded ACA Subsidies: the IRA amends the Internal Revenue Code of 1986 to extend enhanced premium tax credits offered through the Affordable Care Act (ACA) to the end of 2025. The 2021 American Rescue Plan Act (ARPA) temporarily expanded eligibility for premium tax credits (PTC) on ACA Marketplace plans in 2021 and 2022 to taxpayers with household income above 400 percent of the federal poverty line by lowering the upper premium contribution limit to 8.5 percent of household income. The IRA extends the temporary expansion of PTC through 2025 to taxpayers whose household income exceeds 400 percent of the poverty line.

As a reminder, under the shared responsibility provisions of the ACA, applicable large employers (ALEs—those with at least 50 full-time or full-time-equivalent employees in the prior calendar year) must either offer minimum essential coverage that is "affordable" and that provides "minimum value" to their full-time employees (and their dependents), or potentially make an employer shared responsibility payment to the IRS. The penalties are based on the employee's *self-only cost* to elect coverage on the employers *least expensive plan* and are not based on the family premium cost. The expansion of the subsidies under ARPA made it more likely that employees would qualify for a subsidy. As provided in article above, the affordability threshold for 2022 is 9.61% of household income, but in 2023, that percentage will decrease to 9.12%. Now is a good time for employers to ensure that their coverage for 2023 provides minimum value and is considered affordable.

Medicare Prescription Drug Cost Reductions: the IRA includes prescription drug provisions that have significant implications for Medicare beneficiaries:

- Beginning in 2023, copayments for insulin products covered under Medicare Part D (or Part B for insulin furnished through durable medical equipment) will be capped to $35 per month. For plan year 2026 and later, such copayments will be the lesser of: (i) $35, (ii) 25 percent of a maximum fair price (MFP) if the covered insulin product is selected for negotiation by HHS; or (iii) 25 percent of the negotiated price of the covered insulin product under prescription drug plan or Part D plan.
- Starting in 2023, drug manufacturers must pay a mandatory quarterly rebate to the CMS for brand-name drugs without generic equivalents under Medicare that cost $100 or more per year per individual and for which prices increase faster than inflation.
- Beginning in 2024, the Medicare Part D beneficiary out-of-pocket costs will be limited to an amount equal to the catastrophic threshold. Beginning in 2025, a $2,000 annual cap will be imposed on the out-of-pocket costs, subject to annual adjustment thereafter based on per capita expenditure spending for covered Part D drugs. Effective in 2025, the current Coverage Gap Discount Program will be replaced by a new manufacturer discount program, through which drug manufacturers will provide 10 percent discount off the negotiated price for applicable Part D branded drugs after the deductible is satisfied through the catastrophic phase of the benefit and 20 percent discount off the negotiated price in the catastrophic phase.
- For the first time, HHS will be authorized (and required) to negotiate prescription drug prices for certain high-priced single source branded drugs (maximum prices for brand-name drugs that do not have other generic equivalents and that account for the greatest Medicare spending) covered under Medicare Part D (retail prescription drugs) or Part B (administered by physicians). The negotiated prices will not apply until 2026 – starting with 10 eligible Medicare Part D drugs in 2026; 15 Part D drugs in 2027; another 15 Part B and Part D drugs in 2028; and another 20 Part B and Part D drugs in 2029 and later years. There is no provision in the IRA that requires drug manufacturers to give comparable prescription drug cost reductions for private plans. Democrats in Congress had attempted to include such a provision, but were unable to do so, since that provision failed to have a direct impact on federal spending and taxation, and therefore could not be included in a "reconciliation" bill. Without such a provision, it remains to be seen whether the federal government's new bargaining power will decrease costs across the prescription drug market or if it will result in cost-shifting to employer-provided health plans.

Legal Update continued . . .

Reminder: Annual Medicare Part D Notices Are Due Before October 15

JHP has provided the annual Medicare Part D creditable status Notice to the member groups. Below is a reminder:

The Medicare Modernization Act (MMA) requires employers whose health plans provide prescription drug coverage to notify Medicare-eligible individuals whether their prescription drug coverage is creditable coverage, which means that the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage.

The Centers for Medicare and Medicaid Services (CMS) has imposed two disclosure requirements on employers with health plans that provide prescription drug coverage to Medicare-eligible individuals:

1. The first requirement is for such employers to complete the Online Disclosure to CMS Form to report the creditable coverage status of their prescription drug plan. The Disclosure to CMS should be completed annually no later than 60 days from the beginning of a plan year, within 30 days after termination of a prescription drug plan, or within 30 days after any change in creditable coverage status. Therefore, 7/1/2022 renewals must file online on or before 8/29/2022 and 8/1/2022 renewals must file online on or before 9/29/2022. Employers are required to complete the online Disclosure to CMS Form (https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/CCDisclosureForm) on the CMS Creditable Coverage web page. No other filing methods are allowed. The CMS Guidance and Screen Prints for the electronic filing can be found to the left of the fields of entry. When reviewing the screen print examples, please note that some sections of the Disclosure Form may not apply to your plan. Only fields relevant to your plan may appear on your screen. Also note that Total Number of Medicare Part D Eligible Individuals covered as of Plan Year Beginning Date can be acquired from your TPA.
2. The second disclosure requirement is to provide a written disclosure notice to all Medicare eligible individuals annually who are covered under its prescription drug plan, prior to October 15th each year and at various times as stated in the regulations, including to a Medicare eligible individual when he/she joins the plan. This disclosure must be provided to Medicare eligible active working individuals and their dependents, Medicare eligible COBRA individuals and their dependents, Medicare eligible disabled individuals covered under your prescription drug plan and any retirees and their dependents.

Disclosure, or distribution of the Notice can be made in a separate paper mailing to all participants, or in a newsletter format. The Notice should also be posted in a conspicuous place. Plan sponsors may also opt to provide the Notice electronically if the following criteria are met:

- The participant agrees to receive notices electronically (using the “read receipt” option)
- The participant is informed of their right to a paper copy, how to withdraw consent to email, and how to update their email address
- The Notice is posted on the Plan website
- You must inform the participant that they must supply the Notice to any Medicare eligible dependents.

Legal Update continued . . .

If an employee, their spouse, or their dependents are not currently Medicare eligible, the Notice will not pertain to them, but may at some point in the future.

If you have any questions regarding the distribution of this Notice, please feel free to contact your Account Manager.

JHP Announcements

JHP will be participating in the OSBA Capital Conference and Trade Show November 13 to November 15. The JHP booth is number 709. Be sure to stop by!

The annual JHP Membership Dinner will be held November 13, 2022 at 6:30 p.m. in the Sonesta Hotel, Columbus. All members should have received an RSVP invitation to complete and return by October 28. If you have not received this invite and are planning to attend, please contact Shaye at 740-792-4010, ext. 103.

Don't know who to contact? Reach out to any JHP ACCOUNT MANAGER!

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Don't forget to turn your clocks back November 6, 2022

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