

THE JEFFERSON HEALTH PLAN UPDATE

Volume 23/Issue 23 November 2020

WELCOME!

As another way to reach out to current Jefferson Health Plan groups and communicate on issues that directly impact our members, we will be providing updates on what is happening in the consortium.

If you have items that you would like to see in these updates, feel free to let us know!

Email:

jhpemployer@thejeffersonhealthplan.org

Pharmaceutical Formulary Updates

As you are likely aware, each member group within the Jefferson Health Plan selects a Pharmacy Benefits Manager (PBM) to handle functions such as processing, adjudicating and settling prescription drug claims when a plan participant fills a prescription. Each PBM develops and manages a formulary, which is a list of prescription drugs covered by the plan. As part of the PBM's administrative duties, these formularies are updated on a routine basis. This process helps to ensure the PBM administers plans in a clinically sound and affordable manner, while aiding plan participants in the appropriate selection and use of drug therapies, as the pharmaceutical market changes. Similar to prior years, many PBM's will be making routine updates to their formularies on January 1, 2021. If any formulary changes impact current plan participants, they will receive a letter from the applicable PBM identifying the effected drug(s), recommending personalized alternative medications and outlining next steps. Each PBM provides a team to work with the plan participant and their doctor to address any questions regarding their medications. As always, your Jefferson Health Plan dedicated Account Manager is also available to assist our valued member organizations.

Launching Online JHP Training for Administrators

Every Fall the JHP Team looks forward to the Fall Educational Seminar. It is an opportunity to see members ranging from those that joined this year spanning back to those that have been part of the consortium since its inception 35 years ago. We look forward to seeing familiar faces and the opportunities to meet new faces. It is a great time to engage, catch up, answer questions, learn new information and meet the ever growing JHP team.

Due to COVID-19, this is the first year JHP is unable to hold this event. For us, this brought to the forefront the need to virtually reach our members with education on JHP programs on an ongoing basis. We need an educational platform with the

flexibility to access any day, any time. Accordingly, JHP produced educational seminars through a virtual learning platform to allow member administrations to engage as best fits your busy schedule. In partnership with the Jefferson County Educational Service Center (JCESC), you will soon be able to access resources on the Virtual Learning Academy (VLA) platform. The online accounts are member contact specific with the ability to award CEU/Contact Hours for completed modules. Initial presentations cover a variety of topics ranging from JHP 101 to our HealthReach and Employee Assistance Programs (EAP).

In early December, member administrative points of contact will receive an email from noreply@jcesc.org with a subject line that reads "Virtual Learning Academy Account Information." The email will contain a link along with your username and password for



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accessing the training modules. If member groups have any questions regarding access, online modules or any JHP programs, contact your dedicated Account Manager at jhpmember@thejeffersonhealthplan.org.

Meet the New JHP Team Members

The Jefferson Health Plan would like to welcome Susan Kukla & Sunil Neela who are joining us to better serve our membership. Susan Kukla, Report Analyst, graduated from The Ohio State University with a Bachelor of Business Administration in International Business. Her professional experience includes working for a broker, an insurance company, and a third-party administrator over the past 25 years. She has 3 children, a 20- year-old daughter, a 19- year-old daughter and a 19- year-old son.

Sunil Neela, Data Analyst, graduated from Indiana University – Purdue University Indianapolis (IUPUI) with a Master of Science in Health Informatics. He has worked in health information and data management for 5 years and has extensive health care industry education.

IRS Releases Final 2020 Forms 1094/1095 and Instructions, and Announces Limited Relief for Information Reporting on 2020 Forms 1094/1095.

On October 16, 2020, the Internal Revenue Service (IRS) published the final versions of Forms 1094/1095-B and 1094/1095-C along with instructions for completing them to report information about employer-sponsored health coverage for the 2020 calendar year. Links to the forms and instructions are below:

1094-B: <https://www.irs.gov/pub/irs-prior/f1094b--2020.pdf>

1095-B: <https://www.irs.gov/pub/irs-prior/f1095b--2020.pdf>

1094-C: <https://www.irs.gov/pub/irs-prior/f1094c--2020.pdf>

1095-C: <https://www.irs.gov/pub/irs-prior/f1095c--2020.pdf>

Instructions for Forms 1094/5 B: <https://www.irs.gov/pub/irs-prior/i109495b--2020.pdf>

Instructions for Forms 1094/5 C: <https://www.irs.gov/pub/irs-prior/i109495c--2020.pdf>

As a reminder, the Affordable Care Act (ACA) created reporting requirements under the Internal Revenue Code (Code) Sections 6055 and 6056. These sections require employers and providers of health insurance coverage to report certain information to the IRS, full-time employees, and other plan participants each year about the health plan coverage they offer (or do not offer) or provide to their employees. Reporting under Sections 6055 and 6056 involves one or both of two sets of forms: the "B-Series" forms (Forms 1094-B and 1095-B) and the "C-Series" forms (Forms 1094-C and 1095-C) (collectively, the "Forms"). Each set of forms includes a transmittal form (Forms 1094-B and 1094-C), which serves as a cover page to the individualized forms (Forms 1095-B and 1095-C), which are prepared for each employee for whom the employer is required to report. The B Forms are filed by minimum essential coverage providers (mostly insurers and government-sponsored programs, but also some self-insuring employers and others) to report coverage information in accordance with Code § 6055. The C Forms are filed by applicable large employers (ALEs) to comply with Code § 6056, providing information that the IRS needs to administer employer shared responsibility under Code § 4980H and eligibility for premium tax credits. In addition to being filed with the IRS, Forms 1095-B and 1095-C are furnished to individuals. ALEs with self-insured health plans report coverage information on Form 1095-C.

The 2020 Forms feature a few new changes. First, the Plan Start Month of an ALE's group health must now be reported on Form 1095-C, whereas in prior reporting years this information was optional. In general, ALEs will report the two-digit number (01 – 12) that corresponds to the calendar month in which the plan year of the health plan offered to the employee begins. For example, if the

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employer has a calendar year plan, the ALE will enter “01” in this space. This has been an optional field for several years. For 2020, it is mandatory for all ALEs.

Second, the 2020 Forms also reflect availability of Individual Coverage Health Reimbursement Arrangements (ICHRA). As background, for plan years beginning on or after Jan. 1, 2020, employers may offer HRAs integrated with individual health insurance coverage or Medicare, subject to certain conditions. Certain additions were made to the 2020 Forms 1095-B and 1095-C related to ICHRAs. Form 1094-C. The instructions for Form 1094-C confirm that an offer of ICHRA coverage counts as an offer of minimum essential coverage for purposes of Code § 4980H(a). Both Forms 1095-B and 1095-C have new codes for information concerning ICHRAs offered to employees:

- Form 1095-B: Part I, Line 8 has a new code G, which identifies ICHRAs as the type of employer-sponsored coverage.
- Form 1095-C:
 - Part II Heading includes a new section to enter employee’s age on Jan. 1. If the ALE offered ICHRA coverage to the employee, the employer must enter the employee’s age as of January 1, 2020.
 - Part II, Line 14 includes 8 new codes in Code Series 1 (1L-1S) that correspond to the type of ICHRA offered to the employee, including (1) the full-time or part-time status of the employee receiving the offer; (2) whether ICHRA coverage was also offered to a full-time employee’s spouse and dependents; (3) affordability of ICHRA coverage offered to a full-time employee; and (4) whether the employee’s primary residence or employment site was used to determine affordability.
 - Part II, Line 15: the employee required contribution amount for the ICHRA is reported on Line 15. The instructions explain how age and zip code information—in combination with the ALE’s ICHRA contributions—is used to calculate a full-time employee’s required contribution for line 15. The employee’s contribution is based on the lowest cost silver plan for the employee’s age offered through an Exchange for the zip code of the employee’s primary residence (or primary site of employment if the ALE elects to use a safe harbor). The instructions caution that for non-calendar-year plans or employees who become eligible for the ICHRA during the plan year, the employee’s age reported in Part II may not be the applicable age to calculate ICHRA affordability or the amount reported on line 15.
 - Part II, Line 17: if an affordable ICHRA was offered to a full-time employee, the zip code for the employee’s primary residence or employment site must be entered on line 17. The ICHRA affordability calculation safe harbors allow an employer to use either the zip code of the employee’s primary worksite or residence when benchmarking affordability.

Third, the Form 1095-C instructions note that the Code § 4980H(b) affordability threshold for plan years beginning in 2020 is 9.78%, down from the 9.86% threshold in 2019. Finally, Both sets of instructions indicate indexed penalty increases for reporting failures from \$270 to \$280 per return, with calendar-year maximum penalties increasing from \$3,339,000 to \$3,392,000.

In Notice 2020-76 (<https://www.irs.gov/pub/irs-drop/n-20-76.pdf>), the IRS extended the deadline for furnishing Forms 1095-B and 1095-C to individuals from January 31 to March 2, 2021. While the IRS is otherwise allowed to grant extensions of up to 30 days to furnish these forms to individuals, the notice states that the IRS will not extend the due date beyond March 2, 2021. The relief does not apply to employers’ filings with the IRS either. The deadlines will be March 1, 2021, for paper filings (because February 28 falls on a Sunday) and March 31, 2021, for electronic filings. Employers may extend these deadlines by application to the IRS.

Health FSA Limits Remain the Same for 2021

On October 26, 2020, the IRS announced, in Notice 2020-45 (<https://www.irs.gov/pub/irs-drop/rp-20-45.pdf>), the tax year 2021 annual inflation adjustments for more than 60 tax provisions, including the dollar limit for employee contributions to health flexible spending accounts (health FSAs). The ACA imposes a dollar limit on employees' salary reduction contributions to health flexible spending accounts (FSAs) offered under cafeteria plans. While this dollar limit is indexed for cost-of-living adjustments and may be increased each year, it can only be adjusted in increments of \$50. Notice 2020-45 states that the health FSA dollar limit on employee salary reduction contributions will remain at \$2,750 for taxable years beginning in 2021. The limit also applies to limited-purpose FSAs that are restricted to dental and vision care services, which can be used in tandem with health savings accounts (HSAs). For health FSA plans that permit the carryover of unused amounts, the maximum carryover amount for 2021 is \$550, an increase of \$50 from the original 2020 carryover limit. An employer may continue to impose its own dollar limit on employees' salary reduction contributions to health FSAs so long as the employer's limit does not exceed the ACA's maximum limit in effect for the plan year. For example, an employer may decide to limit employee health FSA contributions for the 2021 plan year to \$2,500, rather than the ceiling of \$2,750.

Service Contact Guide

The Jefferson Health Plan has updated its contact information to better serve members. If members have any concerns, comments, or suggestions, please email or call based on the service contact guide below:

TOPIC	EMAIL ADDRESS	PHONE
Billing	billing@thejeffersonhealthplan.org	740.792.4010 ext.250
Investment (US Bank/ Audit)	invest@thejeffersonhealthplan.org	740.792.4010 ext.251
Legal and Compliance	legal@thejeffersonhealthplan.org	740.792.4010 ext.252
Ohio Valley Pool	ovp@thejeffersonhealthplan.org	740.792.4010 ext.253
Quotes	quotes@thejeffersonhealthplan.org	740.792.4010 ext.254
Employee w/Questions (Wellness & EAP)	jhpmember@thejeffersonhealthplan.org	740.792.4010 ext.255
Employer w/Questions	jhpemployer@thejeffersonhealthplan.org	740.792.4010 ext.256
Renewals/Election Sheets	renewals@thejeffersonhealthplan.org	740.792.4010 ext.254
Moratoria Requests	moratoria@thejeffersonhealthplan.org	740.792.4010 ext.251
Broker w/Questions	broker@thejeffersonhealthplan.org	740.792.4010 ext.257

Upcoming EAP Webinars

Beacon will offer two new webinars in November and December. The webinars offer timely, relevant, and reliable information for everyday living, and provide participants the opportunity to submit questions and receive an individualized response via email. Here is how the webinars work:

- Employees can access the 30-minute webinars through a link on the home page of your Achieve Solutions website at www.achievesolutions.net/jhp.
- Once logged in, every user can view the webinar and submit questions. All questions will be triaged to the appropriate person for a quick and timely individualized response. Clinical questions will be directed to a Beacon Care Manager.
- After one month, the webinar link will be removed from the Achieve Solutions home page, and a new one will take its place. The former webinar will be archived on the Achieve Solutions website.

Upcoming Webinars:

November 2020: Building Resilience Muscles



DID YOU KNOW???

- JHP offers an Infrastructure Loan Program for qualifying members. Contact Account Management for more information
- Over the last 3 years, JHP has helped members save over \$132,590,000 in taxes and fees including:
 - a tax savings of \$21,460,000
 - an administrative savings of \$103,590,000
 - a Rx Rebates saving of \$8,100,000



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