

MCA Administrators

Administrator

Important news and updates from your benefits professional

Winter 2012

This Issue

Reform Update

How the actions of the Supreme Court may affect you.

Update on Consumer Directed Plans

Details on what's new for 2012 and beyond.

Using Incentives Wisely

Under PPACA legislation, employers can offer larger discounts to wellness participants.

2012 Minimums and Maximums for HSAs

Inflation-adjusted calculations, as determined by the IRS.

New Ideas for Healthy Consumers and Much More!

Social Networks Can Spread Wellness



To better connect with younger workers, more and more companies are increasing their presence on social media platforms such as LinkedIn and Facebook. In addition to using these sites to connect with potential recruits, many firms are creating Facebook group pages where employees can share experiences and comment about things such as training programs, community service efforts and company developments.

With the percentage of employee populations under the age of 30 rising rapidly, companies have to be aware of what younger people want and expect in the workplace. While some companies are quick to point to the risks that exist with media channels like YouTube, others prefer to see the opportunities. New tools such as social media networks and blogs can greatly enhance a company's ability to attract, retain and motivate employees. When you consider the increasing need to engage employees in health related areas such as benefits and wellness, it makes little sense to let opportunities like this go by the wayside.

When People Connect, They Influence One Another

There is no question that people influence behavior when they connect with one another, and this is especially true in the workplace. The fact is that with social media and mobile technology, employers can leverage these social connections to promote better health. Just as large companies have learned that healthy behavior can spread across an employee population, small and mid-sized businesses realize that their employees are using these tools and looking to their employer to do the same.

- Why not use a social network to fuel participation in a walking group or introduce a weight loss challenge?
- Launching a Facebook group page (*easily closed to the general public*) will allow employees to engage and support one another.
- These forums will empower workers to share experiences and perhaps even challenge one another to achieve a health-related goal they may have otherwise thought out of reach.

Research has proven that weaving health and wellness into each day can encourage change in individual behavior. When you consider the speed of wireless broadband and the explosion of smart phones and tablets, the time to create an environment in which wellness can thrive is now.

MCA Administrators

Manor Oak Two, 1910 Cochran Road
Suite 605, Pittsburgh, PA 15220

www.mcoa.com



Is Your Company Using Incentives Wisely?

With health care benefit costs continuing to rise and more organizations striving to boost participation in health and wellness programs, a leading provider of wellness programs recently engaged *Workforce Management Magazine* to survey more than 500 organizations. Here are a few findings.

Cash is preferred over other incentives.

While gift cards and paid time off can help drive participation, cash and premium discounts were most popular. Experts say that because different things can motivate people at different times, it's wise to offer more than one type of incentive.

Management can influence overall participation.

The survey showed that employees like to follow management's lead and this certainly holds true when it comes to wellness. When senior executives are actively and visibly involved, there is more buy-in from the overall employee population.

While some say it is hard to measure their return on investment, most employers said they would increase their wellness spending in 2012. One reason may be that under PPACA legislation, employers can increase premium discounts for those who participate in wellness programs from 20 to 30 percent. Overall, most agreed that incentives help reward those who are making an effort to take care of their health.

Employers Still Look to Consumer Directed Plans



To combat cost increases that are expected to top 7% this year, many employers are looking at consumer directed health plans for savings. More than half of employers surveyed recently by the National Business Group on Health are increasing the percentage of plan costs paid by employees while 4 out of 10 have increased their in-network deductibles.

When it comes to large employers, 75% are offering High Deductible Health Plans (HDHPs) with Health Savings Accounts (HSAs) this year, compared to just over 60% in 2011.

What's New For 2012?

As detailed on the following page, HSA contribution limits and HDHP out-of-pocket maximums have increased slightly for 2012, while the HDHP minimum required deductibles remain unchanged.

For members with Flexible Spending Accounts (FSAs), 2012 is the last year that there are no limits on contributions. Although there is no limit as mandated by law, the plan must prescribe either a maximum dollar amount or maximum percentage of compensation that can be contributed to the FSA. Looking forward, you will want members to know that FSA contributions for 2013 and beyond will be limited to \$2,500 each year with annual increases allowed for inflation. This might also be a good time to remind participants with FSAs that their funds cannot be used for over-the-counter medicines unless prescribed by a doctor.

Tax advantages and the ability to engage employees in purchasing decisions have made consumer directed health plan designs extremely effective cost-sharing strategies. For more information or help with future planning, contact us at any time.

Trends Latest Happenings in Today's World

Tax Breaks for Illinois Hospitals in Jeopardy

The State of Illinois is requiring 20 Chicago, suburban and downstate hospitals to submit new applications for tax-exempt status because of changes in the use or ownership of their property. After the Illinois Hospital Association and others argued that this will only make

it harder for the needy to receive charity care, the Illinois Supreme Court and Illinois Department of Revenue have tabled an earlier decision to revoke tax-exempt status from four hospitals until later in 2012. No minimum thresholds exist to help determine the extent to which hospitals in Illinois must benefit their community.

Americans Turning 90 in Record Numbers

A report from the U.S. Census Bureau released in November showed that the number of Americans age 90 and above nearly tripled since 1980. 1.9 million Americans are age 90 or older today compared to just 720,000 in 1980. Since statistics show that a person turning 90 is

Health Care Reform Update

The latest in health and medical news

Failure of Super Committee To Have Little Impact on Health Care (For Now)

While the failure of the congressional "super committee" to reach an agreement triggers a 2% across-the-board cut to Medicare, this is thought to be far less than the \$500 to \$700 billion lawmakers on the panel were discussing prior to their deadline. Physicians and hospitals will feel the impact but the \$123 billion that will need to be cut over the next 10 years is minimal compared to cuts imposed by deficit reduction legislation enacted in recent years.

About a fourth of all Medicare spending goes to

physicians and clinics while hospitals currently receive nearly half. Some of the remaining automatic cuts will impact insurers that participate in the Medicare Advantage program that allows seniors to obtain private coverage.

The real problem lies in projections from the Government Accountability Office, which estimates that if nothing changes, Medicare, Medicaid and Social Security will swallow up to 100% of all existing tax revenues by the year 2047.

How Might The Supreme Court Actions Affect You?

Just as employers and benefits professionals spent months contemplating how their world might change if health care reform legislation were to become law, you can bet that plenty of time is being wasted worrying about how the Supreme Court might rule when they hear cases challenging the constitutionality of the PPACA.



Three of the five challenges brought by the 26 states and the NFIB will be heard, with the individual mandate undoubtedly being the hottest topic. If the Supreme Court were to strike down the individual mandate requiring that the American people buy health coverage, the part of

the law requiring insurance companies to guarantee issuance of a policy could result in people only buying insurance after they became sick or injured. While several parts of the law have become popular among the general public, the individual mandate is not one of them.

Until the applicability of the law is determined by a Supreme Court ruling, expected in mid 2012,

employers have no choice but to continue addressing compliance issues and state exchanges to prepare for operations beginning in 2014. We will keep you informed in future newsletters and special bulletins as needed.

2012 Minimums and Maximums for HSAs and HDHPs

Inflation-adjusted calculations, as determined by the Internal Revenue Service for 2012, are as follows.

Individual Coverage

Maximum Annual HSA Contribution* **\$3,100**
(up \$50 from 2011)

Minimum HDHP Deductible **\$1,200**
(same as for 2011)

Maximum HDHP Out-of-Pocket Expenses** **\$6,050**
(up \$100 from 2011)

Family Coverage

Maximum Annual HSA Contribution* **\$6,250**
(up \$100 from 2011)

Minimum HDHP Deductible **\$2,400**
(same as for 2011)

Maximum HDHP Out-of-Pocket Expenses** **\$12,100**
(up \$200 from 2011)

* Individuals age 55 or over can contribute an additional \$1,000 to their HSAs.

** The out-of-pocket expense does not include premiums.

Some requirements of the Affordable Care Act have made high deductible health plans with health savings accounts more attractive. To explore the benefits of HSAs and other consumer directed health plan options, please contact us at your convenience.

likely to live almost another 5 years, experts feel this number could easily grow to 9 million by the year 2050.

Americans More Likely to Avoid Treatment

According to research by the Commonwealth Fund, American adults are more likely to have problems getting the care they need than those in other

high-income countries. The survey included 18,000 people who said they were in fair or poor health, those who had undergone surgery or been hospitalized in the past two years or been treated for a chronic illness in the past year. The study noted that nearly half of those who went without medical care did so because they could not afford the cost of treatment.

Walmart to Boost Investment in Retail Clinics

In recent developments, Walmart announced that it was seeking a joint venture partner to help develop retail health clinics in more of its stores. While some speculate that Walmart may be

moving to position itself for the full implementation of health care reform in 2014, others believe that providing basic medical services is a natural ex-



tension of the company's mission to provide consumers with high value products and services at reasonable prices.

Did You Know? New Ideas for Healthy Consumers

Working Your Way Through the System



A recent article in the Wall Street Journal provided a first-hand look at a cancer patient who worked closely with a Nurse Navigator to get much more than quality medical treatment. Even if you've been blessed with good health, it may help to know more about the services these health care professionals can provide.

Nurse navigators, sometimes known as patient advocates or care coordinators, are often integrated with case management or disease

management programs. While they are often part nurse and part social worker, they help patients make informed medical decisions. In the process, they offer a great amount of emotional support by making it easier for a patient to work their way through the maze of treatment and follow-up.

Sometimes A Good Doctor Isn't Enough

When a serious diagnosis is involved, surgery may be just the beginning of a complex and time-consuming treatment plan. Nurse navigators often help schedule appointments for medical visits and tests. Just as their experience in care coordination can help a patient keep their treatment plan on track, motivational skills can help them live with the challenges that can come with difficult treatment such as chemotherapy or radiation. Because a serious diagnosis can be a real shock, it is not uncommon for patients to think of questions after they have calmed down. Since nurse navigators often have access to patient medical records and

physicians, they can answer questions, help with claim issues and do much to increase a patient's peace of mind.

Several studies have shown that navigation services often boost participation in cancer screenings and follow-up care. Because more and more hospitals are beginning to offer these services, the Commission on Cancer, part of the American College of Surgeons, has issued new standards that will make patient navigation services part of their accreditation requirements by 2015.

Unhealthy Lunch?

Here's How to Burn It Off

The American Dietetic Association tells us that a typical workday lunch can really take a toll, especially if you're trying to watch your weight. Check these out.

- A 6-inch Subway Melt with turkey, ham, bacon, cheese, lettuce, tomatoes, onions, green peppers, cucumbers and honey mustard sauce on wheat contains 400 calories. Burning it off requires 30 minutes of vigorous biking or 78 minutes of gardening.
- Enjoy a McDonald's Quarter Pounder with Cheese and you'll need to run at 6 mph for 27 minutes to burn 510 calories.
- You'll need 46 minutes of basketball to burn off the 420 calories in a medium order of natural cut fries from Wendy's.

When you consider that we need to erase 3,500 calories to lose one pound, you may want to learn about healthier alternatives and use the calorie calculator available at everydayhealth.com.

Please Contact Us: This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions that may impact your personal health. Talk to your benefits administrator before implementing strategies that may impact your organization's employee benefit objectives.



MCA Administrators

Manor Oak Two, 1910 Cochran Road, Suite 605, Pittsburgh, PA 15220
Toll Free (800) 922-4966 • Ph (412) 922-2803 • Fax (412) 202-6277