INSIDE

cpi lights

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Jon A. Cyganiak, CLU
President

May is Disability Insurance Awareness month.

Americans don't hesitate to insure their most valued possessions… their health and life, their home, their car/boat/motorcycle, their jewels and art. But they routinely overlook the one asset that is more important that any of these. Their Income.

As of May 7, 2021 **1,562,085** people have become disabled so far in the US this year alone, according to the Council of Disability Awareness. And accidents are not the main cause of disability. Back injuries, cancer, heart disease and other major illness lead to the majority of long-term work absences. Since most of these conditions are not work related, they would not be covered by Workers' Compensation.

Almost half of American's don't have enough savings to cover three months of living expenses and can't afford to pay an unexpected $400 bill. What would you do if this were you?

Disability Insurance is an important tool for financial security. If you don't have some type of coverage from the workplace, consider looking into an individual policy. And even if you have an employer sponsored plan it only covers a portion of your income. Adding an individual plan on top of this will round out your policies to provide you with the most protection possible.

Thanks for continuing to read CPILights!

As always, if you would like to submit an idea or comment in writing you can reach me at **Jcyganiaksr@cyganiakplanning.com**

Regards,

Jon A. Cyganiak

Jon A. Cyganiak, CLU
President

Source: www.disabilitycanhappen.org

April showers bring May flowers… and CPI's Summer Hours schedule. Beginning Monday, May 24th and running through Friday, September 10th our business hours will be:

Monday – Thursday 8:00am – 4:30pm
Friday 7:30am – 1:00pm

In addition, our offices will be closed on Monday July 5th in observance of the Fourth of July holiday.

If you or your employees need to reach us outside these revised business hours you may leave a detailed message in our voicemail system. We will get back to you as soon as possible.

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PCORI FEES DUE BY JULY 31ST

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The Patient-Centered Outcomes Research Trust Fund fee, part of the Affordable Care Act, helps fund the Patient-Centered Outcomes Research Institute (PCORI), an organization that evaluates and compares health outcomes, clinical effectiveness, risks and benefits of medical treatments and services.

The annual fee, treated like an excise tax by the IRS, is due from all employers and plan sponsors with self-funded plans. For most fully insured insurance programs the fee is collected and paid directly by the insurance carrier. With level-Funded, partially self-funded, and self-funded insurance programs, including flexible spending accounts, this fee is usually paid by the employer using Form 720 (Quarterly Federal Excise Tax Return). The amount is based on the average number of lives covered by the health insurance policy for that plan year and includes all covered lives including retirees, spouses and dependents.

This chart that shows the fee for each member depending on your plan year:

Plan Year Beginning	Fee per Covered Life	Due Date
2/1/2019 through 10/1/2019	$2.54/life	7/31/2021
11/1/2019 through 1/1/2020	$2.66/life	7/31/2021
2/1/2020 through 10/1/2020	$2.66/life	7/31/2022

Forms and more information can be found on the IRS website: *https://www.irs.gov/newsroom/patient-centered-outcomes-research-institute-fee*

★ ★ ★ ★ ★ ★ LEGISLATIVE UPDATES ★ ★ ★ ★

FEDERAL

The **American Rescue Plan Act of 2021** provides extra savings to Americans in the healthcare and benefits arena.

The ARPA has five key components:

- ☆ Makes Marketplace coverage more affordable by making premium tax credit available to families above 400% of FPL and reduces the amount of household income consumers are expected to contribute across the board for 2021 and 2022.
- ☆ Subsidizes COBRA premiums from April 1 to September 30, 2021.
- ☆ Expands Medicaid and the Children's Health Insurance Program (CHIP) state coverage options to include coverage for women up to one year postpartum
- ☆ Extends increased unemployment compensation to September 6, 2021
- ☆ Provides stimulus payments
- ☆ Increases Dependent Care FSA limit in 2021 to $10,500

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On March 23rd President Biden announced that the **Special Enrollment Period (SEP)** for the Federal Marketplace health insurance plans was extended until August 15th, as part of the American Rescue Plan.

This action provides new and current enrollees additional time to enroll or re-evaluate their coverage needs with increased tax credits available to reduce premiums.

Consumers who are eligible and enroll under the SEP will be able to select a plan with coverage that could start as soon as the first month after plan selection. Current enrollees will be able to change to any plan available to them in their area. To take advantage of the SEP, current enrollees should review their application and make changes, if needed, to their current information and submit their application in order to receive an updated eligibility result.

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No Surprises Act, passed by Congress on Dec 27, 2020 as part of the appropriations bill, establishes federal standards to protect patients from balance billing on certain out-of-network (OON) charges.

This federal law applies to services provided by specified doctors, hospitals and air ambulance carriers when billing as OON providers. It applies to individual plans, all size groups including self-funded plans, and includes grandfathered plans.

Under the legislation patient cost-sharing is capped for OON services at the network levels and requires providers to work with insurers and health plans to negotiate the remaining bills. If both sides are unable to reach an agreement the matter will go to arbitration.

The law applies to plan/policy years beginning on January 1, 2022.

AMERICAN RESCUE PLAN ACT AND COBRA/WI CONTINUATION SUBSIDIES

Steve Flewellen
Agent
CYGANIAK PLANNING INC

The American Rescue Act of 2021 (ARPA) is the latest federal law addressing the economic impact of the COVID-19 pandemic. ARPA offers relief by providing a federal subsidy equal to the entire COBRA premium cost for up to six months from April 2021 through September 2021.

The subsidy covers the entire COBRA premium cost, including the administrative fee, for coverage months between April 2021 and September 2021, inclusive. The AEI does not have to pay the COBRA premium and wait to be reimbursed. Instead, the employer or carrier must pay (or waive) the AEI's COBRA premium. The employer's or carrier's expense will be reimbursed by the federal government.

Who is eligible for the subsidy?

Assistance eligible individuals (AEIs) are those who lost health coverage (including dental, vision, EAP & HRAs) due to their or their family member's involuntary termination or a reduction in hours (if still employed).

- If AEI is within original 18 months of **COBRA**, coverage would include any period from **4/1/2021 – 9/30/2021**. (10/1/19 if partial month termination, 11-1-19 end of month termination)
- The 18-, 29-, or 36-month lengths are not affected by the ARPA.
- **AEIs must not be eligible** for other **group coverage** themselves or from a family member. Also, not eligible for **Medicare**.

Wisconsin State Continuation also allows for a 2nd enrollment opportunity for 4/1/21 for those that would have been on continuation. Dental and Vision are not eligible lines under State Continuation.

If you previously waived COBRA/State Continuation and are on Marketplace coverage you may disenroll there after you enroll in COBRA with an AEI.

When does subsidized coverage end?

The subsidy is available for the time of **4/1/2021 – <u>9/30/2021</u>** *prospectively*. The subsidy will end early if:

- The individual reaches end of their maximum 18-month COBRA coverage period.
- The individual becomes **eligible** for other group health plan coverage, Medicare, or Qualified Small Employer Health Reimbursement Arrangement.

Failure to notify the plan of eligibility results in a tax penalty to the AEI of the greater of $250 or 110% of the subsidy cost.

How will individuals who are eligible for the subsidized coverage be notified?

ARPA requires COBRA plan sponsors and administrators to send notices to eligible individuals to notify them of their subsidy and enrollment rights by **5/31/2021**. AEIs have 60 days from receipt of the notice to reply & enroll. An additional notice letting AEIs know that the subsidy is ending is required between **15 and 45 days before the end of the subsidy**.

Allowances for Individuals/Employees:

- ***If an AEI already elected COBRA/State Continuation***, they have 100% subsidized coverage starting on April 1, 2021.
- ***If an AEI did not make any election yet***, they must be given the opportunity to make an election during a new extended lookback election period which ends 60 days (30 days for State Continuation) after they are notified. They can elect starting April 1, 2021 and can enjoy the subsidy until the end of their original COBRA time frame or September 30, 2021, whichever comes first.
- ***If an AEI elected coverage and then dropped***, they must be given an opportunity to re-elect coverage, provided they are still within the 18-month COBRA time frame.
- ***If an AEI becomes eligible*** for starting April 1, 2021 or later, they are eligible for the subsidy based on that effective date.

When Premium Assistance ends, an AEI may be eligible for an SEP to enroll in the Marketplace.

Allowances for Clients/Employers:

- The employer or carrier will be reimbursed 100% of the **total COBRA premium** by a credit against payroll taxes or as refund of an overpayment. **State Continuation** is subsidized by the insurance company who seeks refund from the Federal Government.
- A plan may **but is not required to** permit AEIs to elect different coverage if they also allow their current employees this option. AEIs would have 90 days after notice of the option to make the election. The different coverage cost must be less than the existing plan for the AEI.

Terminations going forward require the *ARPA General Notice* and the *Summary Notices*.

Prior Terminations require the *Extended, General, & Summary Notices*. (failure to provide notices = $100/day/qualified beneficiary to a max of $200/family/day.

IMPORTANT CONSIDERATIONS:

This is new and information is still being released. Notices must be provided to prior terminations that qualify as AEIs by 5/30/21.

COBRA Model Notices: General Notice and Election Notice, Notice in Connection with Extended Election Period, Alternative Notice, Notice of Expiration of Premium Assistance and Summary of the COBRA Premium Assistance Provisions

Wisconsin State Continuation info and notices: https://oci.wi.gov/Pages/ARP.aspx

Note that the COBRA subsidy does not apply during FFCRA leaves because employees are entitled to maintain their health insurance during those leaves on the same terms as though they had continued to work.

This information is based on the best interpretation of information available as of 5/7/21.

FINAL HEALTH PLAN TRANSPARENCY REGULATIONS

Jon I. Cyganiak
Agent/Vice President
CYGANIAK PLANNING INC

Last year, President Trump issued an Executive Order urging his Administration to develop regulations to create greater healthcare price transparency for consumers. First came a price disclosure regulation aimed at hospitals, and then this new final regulation, creates new transparency requirements for health insurance issuers and group health plan sponsors. The measure requires almost all non-grandfathered health insurance plans, as well as employers that sponsor group health plans, to ensure the disclosure of significant medical care price information.

The requirements can be broken down into three parts by implementation date.

1. By **January 1, 2022**, almost all non-grandfathered health insurance plans, as well as employers that sponsor group health plans must publicly disclose in-network provider negotiated rates, historical out-of-network allowed amounts, and drug pricing information through three machine-readable files posted on an internet website. These data files, which must be kept current, will allow the public to have access to broad medical care price information. The hope is that this data will be used to understand health care pricing and potentially dampen the rise in health care spending.
2. Beginning with **plan or policy years starting on or after January 1, 2023**, almost all non-grandfathered health plan issuers and employer plan sponsors will have to make sure that plan participants can access personalized cost estimates for 500 designated shoppable services before they incur a claim. The hope is that the availability of such information will inspire responsible consumerism. All information must be made available on an internet website or, if requested, in paper form. The data health insurance issuers and group health plan sponsors must disclose includes:
   - Estimated cost-sharing liability for specific procedures and conditions;
   - The amount of cost-sharing liability a participant has incurred to date relative to their maximum out-of-pocket limit and any deductible;
   - The negotiated rate the carrier or group plan has agreed to pay an in-network provider for the specific covered service the plan participant is considering;
   - The maximum reimbursement amount that the carrier or group plan would pay to an out-of-network provider for a particular service;
   - An explanation of any prerequisite for the person’s specific coverage request, such as step therapy or a preauthorization; and
   - A notice warning about balance-billing to explain that the plan is merely providing personalized estimates, and actual costs may vary.
3. By the start of **plan or policy years beginning on or after January 1, 2024**, virtually all non-grandfathered health plan issuers and employer plan sponsors will have to make the information listed above available to plan participants via an Internet-based search tool and on paper if requested for ALL covered items and services.

It is important to note that even though companies that offer health insurance coverage to employees generally will not have the ability to implement these transparency requirements independently, the rule does assign them direct liability. Employers that offer fully-insured group coverage can transfer liability to their health insurance issuer, although that transfer of risk will likely impact premiums. Employers that offer self-funded and level-funded plans may contract with their third-party administrator or other vendor to fulfill their transparency obligations. These employer groups can ask for indemnification via their vendor contracts, but still retain ultimate compliance responsibility. In addition to the transparency requirements, the rule gives fully-insured group and individual health plans credit in their medical loss ratio calculations for savings they share with enrollees that result from the enrollees shopping for, and receiving care from, lower-cost, higher-value providers.

https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/CMS-Transparency-in-Coverage-9915F.pdf

Source: NAHU

ARPA COBRA SUBSIDY CALCULATOR

See Page 3 for more Information

<table>
<tr><th>Month the employee was involuntarily terminated or involuntarily had hours reduced</th><th>COBRA Subsidy applies until</th></tr>
<tr><td>November 2019</td><td>April 30, 2021</td></tr>
<tr><td>December 2019</td><td>May 31, 2021</td></tr>
<tr><td>January 2020</td><td>June 30, 2021</td></tr>
<tr><td>February 2020</td><td>July 31, 2021</td></tr>
<tr><td>March 2020</td><td>August 31, 2021</td></tr>
<tr><td>April 2020</td><td rowspan="17">September 30, 2021</td></tr>
<tr><td>May 2020</td></tr>
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<tr><td>July 2021</td></tr>
<tr><td>August 2021</td></tr>
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Employees are NOT required to retro-pay premiums for unenrolled COBRA time before April 1, 2021.

NEW STRESS DEMANDS

Stress has affected all of us more than usual the past year. Employers and employees alike are learning to deal with a new normal. And while employers are becoming more cognizant of helping their employees' stress levels, they should remember that they too can succumb to this same stress.

New stressors from this past year continue to challenge even the most resilient workers. Here is a look at some of the more prevalent ones

The stress of new demands -- Many people are exhausted from how long this period of uncertainty has lasted. Remote or hybrid school and childcare needs strain parents' energy and handling the demands of work and home feels increasingly challenging.

The stress of isolation – Employees and employers have both discovered that the necessities of remote work have diminished connection and collaboration. We may not miss commuting, but we are missing the spark that comes from doing our best work with others.

The stress of uncertainty -- Uncertainty is stressful because it makes decision-making and planning ahead difficult. Not knowing how and when this period will end and what will come after adds to stress.

Lack of effective support – Health plan out-of-pocket costs, lack of adequate access and even lack in the knowledge of where to get help can inhibit workers getting the help they need.

It is important to take care of your mental health just as much as your physical health. Make sure that you, and your employees, understand how the employee benefits work and use them.

Source: https://www.benefitnews.com/opinion/what-employers-can-do-about-the-threats-to-employee-mental-health?position=editorial

THE Q & A CORNER

Aaron Bielawski
Agent
CYGANIAK PLANNING INC

The Cyganiak Planning Q & A Corner takes questions that our agents and sales/service associates were asked and provides detailed guidance to help you understand and resolve similar scenarios at your workplace, should they ever arise.

QUESTION: What is the employer's responsibility when and employee has already been paid for a COVID quarantine leave and now needs another one? Also, if a person has taken 2 weeks EPSL are they entitled to another one if there is a second COVID exposure?

ANSWER: The rule under the Families First Coronavirus Response Act (FFCRA) states that the 80 hours of the emergency paid sick leave (EPSL) is a one-time benefit, with the 80 hours to be the maximum amount of paid time off the employee can use. If an employer has an employee who has already been paid the 80 hours of ESPL under FFCRA, the employer need not pay the employee for this second time off unless the employee has their own accrued sick leave, vacation or PTO time available.

Source: https://www.dol.gov/agencies/whd/pandemic/ffcra-questions

Disclaimer: Guidance provided above is opinion gathered from Cyganiak Planning Inc.'s Human Resources Advocacy Firm based on their research of specified topics and cannot be considered as legal opinion or legal fact. Please consult with your legal counsel for any specific and final guidance in any situation pertaining to your own company.

DISABILTY BY THE NUMBERS

51 million are without any type of disability insurance.

5.6 percent of working Americans will incur a short-term disability every year

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Most common long-term disability claims:

Musculoskeletal disorders
29%

Cancer
15%

Pregnancy
9.4%

Mental Health including depression and anxiety
9.1%

Fractures, sprains, muscle/ligament strains
9%

Source: disabiltycanhappen.org