cpi lights

Vol. XXXI • Issue 2 • Spring 2023 • 262.783.6161 voice • 262.783.5956 fax www.cyganiakplanning.com

Jon A. Cyganiak, CLU
President

Small business owners continue to feel the squeeze in their efforts to offer health insurance benefits to their employees. It is no surprise that cost is a major factor in this decision.

Per the Affordable Care Act (ACA) employers with 50 or more full time employees must offer health insurance to 95% of their employees. There are no such mandates for businesses with fewer than 50 FTEs.

According to an NFIB report, 89% of companies with 30+ employees offer health insurance compared to 39% of those with one to nine employees. And a little over 40% of small business owners who do not currently offer insurance do not expect to do so. With that in mind almost two-thirds of employers surveyed felt that offering health insurance benefits is an important tool to recruiting and retaining employees.

With cost as the biggest barrier, the NFIB continues to encourage Congress to not simply pass the responsibility of rising premiums to the employers. Looking for viable solutions to lower, or manage the costs, is imperative. They suggest that Congress could:

- Expand access to health savings accounts and individual health reimbursement arrangements.
- Encourage Association Health Plans
- Expand tax credits to small businesses to help make things more equitable between small and large employers.

We are hopeful that in time both Republicans and Democrats can come up with a solution that addresses cost without shifting it from one entity to another.

Source: https://www.benefitspro.com/2023/04/03/crushed-by-rising-health-care-costs-small-businesses-urging-congress-to-act

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

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President

Summertime Changes

While Mother Nature is deciding if we should have Spring or Summer, Cyganiak Planning will move into our Summer Hours.

Beginning Monday, May 22nd and running through Friday, September 1st our business hours will be:

Monday – Thursday 8:00am – 4:30pm

Friday 7:30am – 1:00pm

Our offices will also be closed on Tuesday July 4th 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.

AGENTS		SALES/SERVICE ASSOCIATES	
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Managing Editor: Laura Bagin

THE OVERLOOKED INSURANCE

May is Disability Insurance Awareness month. And disability insurance is arguably the least understood form of coverage out there. We all see the need for car and homeowners' insurance, even though no one plans to have an accident. Life Insurance makes sense because, well, we all will die someday. But for some reason we believe we are invincible, and nothing will happen that is so bad we can't earn an income.

Income is one of the most important things we need to live our adult lives. It is like air or food. As the saying goes, "Money isn't everything, but it sure is nice." We need money to pay our mortgage or rent. We need money to buy food. We need money for utilities, fuel, clothes, medical bills and so much more. Money isn't everything, but when you don't have it, life can become difficult. Disability Insurance gives you protection for your ability to earn a living.

Here are some disability facts to consider:

- According to the Social Security Administration, one in four of today's 20-year-olds will become disabled at some point in their career.
- In 2022, over half (53%) of consumers said they needed DI coverage, and 22% said they intended to buy DI coverage in the next year.*
- Half (49%) of consumers indicated their households would face financial hardship in 6 months or less.*
- 24% of consumers say they would turn to their retirement savings should a disability befall them. *
- LIMRA research shows the majority of consumers have no insurance against a disability and would need to tap into other sources of financial assistance, which threatens their long-term financial goals. *

**Source: 2022 Insurance Barometer Study, LIMRA and Life Happens*

Just like car accidents, no one plans to be disabled and unable to earn a living. But, just like auto insurance, don't overlook your opportunity to protect yourself from the unexpected. Buying disability insurance may be the best decision you ever make.

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

FEDERAL

At the end of March a federal judge struck down portions of the preventive screening benefits mandates legislated by the Affordable Care Act (ACA).

The original lawsuit claimed the ACA requirements to cover birth control and PrEP drugs, that prevent HIV, violated religious beliefs. While not explicitly included in the lawsuit, the ruling also extends to other preventive screening for some cancers and behavioral health conditions.

The ruling is expected to be challenged; however a number of insurance carriers have indicated they do not plan to change their practices of covering these important benefits at no cost to insureds.

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A bipartisan bill has been introduced to the House that would simplify the ACA reporting requirements under Section 6055 and 6056 related to the individual and employer mandates.

Among other things, H.R. 1264 would:

- Establish a new voluntary reporting for employers to report to the IRS, and exchanges would use the federal data hub for individual verification.
- Require employer reporting only for those employees and dependents who are covered under the employer sponsored health plan.
- Allow employers to deliver employee reports electronically without another consent form.

Source: NABIP

GUIDANCE FOR THE ENDING OF PUBLIC HEALTH EMERGENCY

Jon I. Cyganiak
Agent/Vice President
CYGANIAK PLANNING INC

On **April 10, 2023**, President Biden signed H.J. Res. 7 into law ending the national state of emergency related to COVID-19 that was declared under the National Emergencies Act.

The Biden Administration also announced that **May 11, 2023** will be the last day of the National Public Health Emergency (the "PHE") declared by the Department of Health and Human Services and its target date for wrapping up other COVID-19-related emergency actions.

And, on **April 1, 2023**, state governments resumed conducting Medicaid eligibility determinations, a routine process that was halted in the spring of 2020 due to COVID-19.

On **March 29, 2023**, the Departments of Labor, Health and Human Services, and Treasury issued FAQs explaining the impact that the end of these emergencies and the resumption of these Medicaid determinations will have on health plans. The key takeaways from this new guidance are outlined below.

End of the "Outbreak Period"

During the COVID-19 National Emergency, many of the timeframes related to plan administration were suspended because of the "Outbreak Period." Under the related guidance, these timeframes were paused for one year, or until 60 days after the end of the COVID-19 National Emergency (or the end of the Outbreak Period), if sooner. The FAQs refer to this period during which the normal timeframes were paused as "disregarded periods." Currently, legal clarification is needed as to what official date will be used to calculate the end of the COVID-19 National Emergency Period, but we believe it to be May 11, 2023. If this is the case, the Outbreak Period will end, and all otherwise applicable timeframes will begin applying again on July 10, 2023.

The key timeframes suspended during the Outbreak Period are those for:

1. Making elections and paying premiums under COBRA;
2. Requesting special enrollment in a group health plan; and
3. Filing claims and appeals under a plan's claims procedures.

The FAQs lay out the following **general** principles with respect to the end of the Outbreak Period and the reinstitution of previously existing timeframes:

- These timeframes are statutory minimums; health plans are legally permitted to allow more time for participants to complete these actions. In fact, the guidance explicitly encourages health plans to do so. We note, however, that plan sponsors should consult with their carriers and stop loss carriers prior to offering any benefit beyond what is legally required.

- COBRA election notices for individuals who lose group health plan coverage before the Outbreak Period ends are due **no earlier than** September 8, 2023 (60 days after July 10th). Depending on the date the COBRA election notice is provided, it is possible for an election to be due after September 8, 2023 for an individual who loses coverage prior to the end of the Outbreak period. The guidance also emphasizes that losing coverage before or after the end of the COVID-19 National Emergency is not relevant for purposes of this analysis. As long as the loss of coverage occurs on or before the end of the Outbreak Period, the individual will have **at least** until September 8, 2023 to submit their election notice.

- Any COBRA premiums due for coverage through July 2023 are due by August 24, 2023.

- The extension to special enrollment rights applies to any triggering event that takes place during the Outbreak Period (i.e., until July 10, 2023). **Participants who experience triggering events within this timeframe have until August 9, 2023 (30 days after the end of the Outbreak Period) to request special enrollment in a group health plan.**

Reminder Regarding Medicaid/CHIP Special Enrollment Rights

During the public health emergency, state Medicaid agencies have generally not terminated the enrollment of any Medicaid beneficiary who was enrolled on or after March 18, 2020. The FAQs note that these programs will resume performing their standard enrollment practices effective April 1, 2023, including auditing eligibility for existing participants. This will likely cause many ineligible individuals to lose Medicaid and seek other coverage. The guidance specifically reminds employers that an individual is eligible for special enrollment in an employer-sponsored plan if:

- They are otherwise eligible to enroll in the plan;

- The employee or dependent was enrolled in Medicaid or CHIP coverage; and

- The Medicaid or CHIP coverage was terminated as a result of loss of eligibility for that coverage.

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MEDICARE OPTIONS:
TRADITIONAL SUPPLEMENT OR ADVANTAGE PLAN

There are four parts to Medicare – Parts A, B, C, and D. Part A provides coverage for hospitalization and Part B for most other medical expenses. Part D was created in 2003 for prescription drug coverage, and Part C, or Medicare Advantage, is a benefit that pays in lieu of Medicare.

When considering insurance options it is common practice for Medicare beneficiaries to enroll in Original Medicare and purchase a Medigap, or Medicare Supplement plan to plug the holes left by Part A and B. In addition you need to enroll in a Part D plan to provide prescription drug benefits. Between these plans most of your medical bills can be covered. The exception to this is your out-of-pocket cost for prescription medications and any services not covered by Medicare. While this route can cost more monthly premium it provides overall protection and little extra cost at the time you incur high medical bills.

Medicare Advantage plans, or Medicare Part C, is obtained from a private insurance carrier. While you still need to pay the Medicare B premium, Medicare will not pay any of your medical expenses. For little or no premium many MAPDs provide comprehensive coverage including some services not covered by Medicare. You have cost share with your medical visits and like a traditional health plan you pay your share as you go. No medical bills…no cost.

So which plan is best for you?

While the traditional Medicare Supplement has a higher premium it allows you flexibility to see any provider who accepts Medicare. It provides a constant monthly premium that you can budget for and not have to worry if you have an expensive medical event.

The Medicare Advantage has little to no monthly premium but usually limits doctor choice to a local provider network. Coverage out of network may not always be available. But for those who can work within the network and have lower utilization a MAPD could be a great choice.

It is important is that you evaluate your options and make the decision that is best for you. The good news….if you try

REDUCING THE MEDICARE SURCHARGE

Steve Flewellen
Agent
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When you turn 65 you have the benefit of lower cost health insurance. For the average person who has worked their adult life Medicare A is free. However, everyone must pay a monthly premium for Medicare Parts B and D. And that premium is based on your modified adjusted gross income. (MAGI) from 2 years prior. The higher your income the more likely you are to pay a surcharge, or an income related monthly adjustment amount (IRMAA), over and above the average monthly premium. Most Medicare beneficiaries will pay around $165 a month in 2023. But that number can increase to $230 - $560; and usually increases each calendar year.

If you have some time before you receive Medicare, there are some things you can do to help lower your MAGI and possibly limit any IRMAA related surcharges.

Contribute to a Health Savings Account (HSA). Putting money into an HSA will reduce your taxable income, which helps with the IRMAA issue. Funds grow tax-free in an HSA as well as qualified withdrawals for medical expenses including your Medicare premiums.

Contribute to a Roth IRA. Roth IRA withdrawals are tax-free after age 59 ½, if the account is at least 5 years old. These withdrawals can help you avoid taking taxable withdrawals from other accounts, which could help to lower your IRMAA.

Consider a Roth IRA conversion. Converting some or all your traditional IRA assets to a Roth IRA could help. But make sure to analyze the tax implication of a conversion to make sure it is feasible. If you consider doing this, complete the conversion sooner than later. If you convert too close to your Medicare enrollment any increase in your MAGI could increase the IRMAA.

Manage your withdrawal rate. You want to make sure that you take enough funds from your retirement account to support your desired lifestyle. But be careful not to take more than you need.

Reducing your MAGI will help save Medicare premium surcharges due to IRMAA. Any of these strategies can help but need to make sense to your overall financial objective. Make sure to discuss these with your financial advisor if you have questions on feasibility.

Source: http://tooeleonline.com/can-you-reduce-the-medicare-surcharge/

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: If an employer offers a stipend through the HRA that meets affordability standards, could that make the employees ineligible to receive a premium subsidy through the Marketplace?

ANSWER: If the employer is using the medical and integrated HRA to meet ACA affordability, and if they are offering affordable coverage then this may preclude employees from an Exchange Subsidy. I say may, because there may be a qualification even if there is a compliant employer offer due to the lowering to 8.5% by President Biden as well as other factors such as total household size/income.

This lowering of the Marketplace Exchange premium subsidy to 8.5% applies to the Federal Exchange and most state exchanges have followed suit. This is distinct from the ACA affordability calculations for large employer plan offerings which are at 9.78% for plan years beginning in 2020.

So, while the employer must offer coverage at 9.78% or less looking to the employee-only rate to avoid penalties, individuals can also look to the Exchange for more affordable options. If they do obtain a subsidy, then the employer should not be concerned with penalties, as long as what they are offering is ACA compliant.

Note also, generally speaking, an Exchange subsidy is not available if the individual obtaining coverage has access to other affordable and minimum value coverage, such as through their employer but as their entire household's profile is unknown, they may be and especially now that Biden has lowered the limit for qualifying. In case needed, HERE is a citation regarding the 8.5% change for the Exchange premium subsidy as well as a detailed article on this topic.

Ultimately, this is between them and the Exchange to determine although they should report when applying for that subsidy that they do have employer-based compliant coverage. The Exchange can advise as to their eligibility or continued eligibility for a premium subsidy looking at all of their individual factors such as total household income but certainly, access to employer coverage could affect this.

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.

In the SPOTLIGHT

A WHO'S WHO IN SUCCESSFUL BUSINESS

Cyganiak Planning, Inc. would like to recognize the physical growth, as well as the accomplishments of our clients. If you are expanding your human resources or your facility, please let us know. If you are participating in some community outreach or volunteer effort or have recently been recognized with an award, please contact your agent (262-783-6161) and we will share your achievements with our readers.

Congratulation to **PACE Equity** who received an Innovation in Efficient Financing award from the C-PACE Alliance. The award recognized the unique financing program from PACE Equity known as CIRRUS Low Carbon, which has made a significant impact on customers (and carbon) during its first year. Announced in early 2022, CIRRUS Low Carbon offers a reduced interest rate for developers/owners when their project designs meet a design specification outlined by PACE Equity and New Buildings Institute, a Portland-based sustainability think tank.

The product was designed to change the behavior of the people who directly influence the building stock of the U.S. The CIRRUS Low Carbon Design Specification, written in tandem with the New Buildings Institute, was created to encourage improvements in building designs that push beyond current building codes to an improved energy efficiency level.

Guidance for the Ending of Public Health Emergency, continued from page 3

Generally, the applicable special enrollment period in these circumstances is 60 days. However, in many cases, the loss of coverage will occur during the Outbreak Period, so participants would presumably have until September 8, 2023 to enroll (i.e., 60 days from July 10th).

COVID-19 Diagnostic Testing and Preventive Services

After the PHE ends on May 11, 2023, plans will no longer be required to provide COVID-19 diagnostic testing, including over-the-counter tests, to participants at no charge. Plans will be permitted to impose cost-sharing requirements, prior authorization requirements, and other medical management at their discretion. However, the guidance reminds plans that claims should be administered based on the date an item or service was rendered (i.e., the date a COVID-19 test was purchased), not the date a claim was processed. **If the service was rendered during the PHE, it should not be subject to any cost-sharing, prior authorization, or other medical management requirements.** Additionally, the guidance strongly encourages plans to notify participants of any changes made in this regard prior to implementing any such changes.

The guidance further emphasizes that, unlike diagnostic tests, plans must continue to cover in-network COVID-19 preventive services, including vaccines, without cost-sharing once the PHE ends. If COVID-19 preventive services are not available in-network, then the plan must cover services when furnished out-of-network at no cost to the participant.

HSA-Qualified HDHPs

Temporary guidance under the PHE allowed high deductible health plans (HDHPs) to cover both COVID-19 diagnostic testing and treatment prior to the deductible without jeopardizing a plan's HSA compatibility. The FAQs provide that HDHPs may continue to cover both testing for and the treatment of COVID-19 prior to the satisfaction of an applicable deductible pending future guidance on the topic. Any future guidance will not require plans to make changes midyear so that participants can remain eligible to make HSA contributions for the remainder of the plan year.

The unwinding of the changes brought about during the PHE and COVID-19 National Emergency will bring a unique set of challenges in the months to come. The most significant, however, may come in the fall when the "old" rules begin applying again. Over the past several years, plans have faced unprecedented challenges, but there has also been unprecedented flexibility with respect to established laws such as COBRA. As that flexibility wanes and the Department of Labor renews its focus on issues such as participant communications (even with the many challenges of new laws still at play), it is important to remain focused on compliance basics as well.

Source: NABIP

WHAT IS WORKSITE INSURANCE?

Eric Pierson
Sales Associate
CYGANIAK PLANNING INC

A Worksite insurance is products and services made available to the employees for purchase on a voluntary basis. The contract is owned by the employees, and not the employer, so these coverages are portable if they leave employment. There are several lines of coverage that can be offered. Some of the most popular are life, disability, accident, cancer, and critical illness.

These products are usually a win-win for employers and employees. Employees are offered a variety of products to supplement the traditional medical, dental, vision, life, and disability programs offered in the benefits package. Since the benefit needs of each employee differs, voluntary products allow employees to enroll in only the additional coverages that fit their particular areas of concern. Also, since premiums can usually be paid via payroll, pre-tax dollars might be an option to pay for voluntary benefits. This provides significant cost savings.

Employers also benefit from offering these lines of coverage. They do not have to pay any portion of the premiums, employees appreciate the opportunity to purchase coverage they may not normally have access to, and it fills out the benefits package they offer to retain and attract employees.

There are several companies that offer these types of benefits. Ask your agent which might be right for you.