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CPI LIGHTS

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Jon A. Cyganiak, CLU
President

The midterm elections sent a clear message… American's are still clamoring for a change. That is the great thing about our country, we have the right as citizens to affect change in our government if we are unsatisfied with the direction it is going. Everyone's voice can be heard.

One other amazing fact about our voting process is that is that sometimes both sides seem to gain a win.

With the House controlled by the Democrats and the Senate controlled by Republicans it is a certainty that any kind of change to ACA that hasn't taken place yet will be put on hold. At least until one side or the other manages to control the entire Congress again.

This means that, as an industry, health insurance carriers and agents have a clear picture of the future and what environment we have to work within. ACA legislation is probably here to stay. Good, bad or otherwise it does make things less confusing.

According to Arthur Tacchino, CIO at SyncStream, an ACA compliance company, there are two areas of health care change where both parties seem to agree and could find some common ground. Both parties believe the Cadillac Tax should be done away with, and the cost of prescription drugs needs to be brought under control to be more affordable to Americans as a whole.

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, CLU
President

Source: https://insurancenewsnet.com/innarticle/aca-here-to-stay-with-democratic-house-win?utm_source=Newsletter

A Season of Giving

The seasons are changing. The trees have gone from green to their harvest shades and are now bare. Sports have transitioned from baseball to football. And the snow… well, we all know that it will start piling up sooner than anyone may like.

But one thing that remains constant is family and friends. The holiday season is a time of giving. Giving thanks for health. Giving thanks for home. Giving thanks for those people who make our lives more meaningful.

All of us at Cyganiak Planning are giving thanks for you, our clients and our friends. You trust us with your business's most costly asset, your employees. We are proud to be a part of your team. Proud that you trust us to help bring peace of mind and security to your company's employees through our mutual efforts.

We would like to wish all of you, your employees and their families a happy holiday season. May the new year bring you peace and prosperity.

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- managing editor: Laura Bagin

FEDERAL

Don't forget to file your ACA reporting forms 1094-C and 1095-C. These primarily apply to employers with 50 or more full-time employees (including full-time equivalents) during 2018. Form 1094-C is used to report to the IRS summary information for each employer and to transmit Forms 1095-C to the IRS. Form 1095-C is used to report information about each employee.

The information reported on Form 1094-C and Form 1095-C is used to determine if an employer is subject to a penalty for not offering "minimum essential coverage" to at least 95% of its full-time employees and their dependents. Form 1095-C is also proof for the employee that they have met the MEC provision of the Affordable Care Act for 2018.

Find links to the above Forms and their Instructions under the Websites section of this issue of CPI Lights Page 6.

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STATE

The Center for Medicare & Medicaid Services (CMS) recently approved Wisconsin's Section 1115 BadgerCare Reform demonstration waiver that imposes work requirements on specific BadgerCare beneficiaries. This marks the first time that a state that did not expand Medicaid has been granted permission to impose work requirements.

Under the new rule, Medicaid beneficiaries in the state will need to work or volunteer for 80 hours a month to maintain their coverage. Beneficiaries between the ages of 19 and 49 that don't meet this requirement for 48 months in a row will be locked out of the Medicaid program for at least 6 months. Additionally, the approved waiver includes a provision for certain people to pay premiums of $8 a month, along with $8 co-payments when they go to the emergency room. Mandated health risk assessments and coverage of residential treatment of for substance abuse disorder is also included in the waiver. Beneficiaries will be asked about their drug use in the health risk assessments.

These reforms affect nonpregnant adults without dependent children who are mentally and physically able to work and who are receiving government-funded health care benefits.

This comes on the heels of a lawsuit being filed challenging Arkansas's Medicaid work requirements.

Source: NAHU and www.dhs.wisconsin.gov/badgercareplus/waivers

2019 HSA CONTRIBUTION LIMITS

Once again, the IRS has made some slight changes for Health Savings Accounts contribution limits. In 2019 the new amounts are:

	Single	Family
Maximum Contribution Limit	$3,500	$ 7,000
Minimum Deductible Requirement	$1,350	$ 2,700
Maximum Out-of-Pocket Expense	$6,750	$13,500
Catch-Up Contribution (For those 55 and older)	$1,000	$1,000

While the annual deductible amounts remain the same, the maximum contribution limits have gone up $50 for singles and $100 for families. Also, the maximum out of pocket expense has gone up from last year by $100 for singles and $200 for families.

The HSA contribution and out of pocket limits are tied to the cost of living changes. Those under 65 using HSA funds to pay for non-qualified expenses face a penalty of 20% based on the amount of the non-qualified expense.

Keep in mind that the limits for HSA plans do differ from out-of-pocket limits for health insurance plans subject to the Affordable Care Act. The ACA cost-share limits are actually higher than what the HSA regulations mandate.

Make sure if you offer a Flexible Spending Account (FSA) or a Health Reimbursement Account (HRA) that you are you are stacking them properly with your HSA. It can be done, but you must take care to observe all of the guidelines to insure you are able to maximize your tax credits.

CAN'T EVERYONE BUY AN HSA?

So… you want to purchase a Health Savings Account. (HSA). All your business associates and friends are telling you it is the way to go, the best way to spend your premium dollars. This special tax qualified account can be a great tool for saving money and receiving tax credits at the same time.

Whether you buy and individual plan or are a business owner looking for employee group coverage there are rule you must follow to make sure your high deductible health plan (HDHP) is HSA qualified.

First you must be a qualified individual to open an HSA.

- You cannot be another individual's tax dependent (note dependents do not have their own accounts).
- You cannot be enrolled in Medicare.
- You must have current coverage under a qualified plan (HDHP).
- You cannot be covered by a disqualifying benefit (HRA or FSA). Some of these plans, when structured properly, allow for HSA eligibility.

Next you must have a high deductible health insurance plan (HDHP) that has a single deductible at or higher than $1,350, or a family deductible at or higher than $2,700. Out-of-pocket maximums must be $6,750 for single coverage and $13,500 for family coverage. All benefits should be subject to the plan deductible with no first dollar coverage such as a prescription drug card or office copayment. Wellness benefits may be covered at 100% not subject to the deductible.

A high deductible health plan that includes a Flexible Spending Account (FSA) or a Health Reimbursement Arrangement (HRA) typically can disqualify an individual for HSA eligibility. There are specific situations that allow all of these plans to coexist.

IRS regulations allow for FSAs that include dental or vision services (through an insurance plan), dental or vision services covered through an HRA and HRA that reimburses once the minimum HDHP deductible has been met.

Not all high deductible health plans will qualify as HSA eligible. It is important to follow the IRS guidelines to make sure that the health plan you select will allow you the tax credits you are looking for.

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SHORT TERM HEALTH PLANS FILLING A NEED

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People with sticker shock over the cost of insurance on the Affordable Care Act exchanges will have a wave of short-term health plans to consider this year. Newly loosened regulations have made these temporary plans once again available for 364-day terms with a chance to renew in the state of Wisconsin.

These plans are much cheaper, but also can mean slashed benefits and limited or no coverage for pre-existing conditions. Many also don't cover certain mental illnesses, maternity care or prescription drugs. In addition, short-term plans don't have to comply with the Affordable Care Act regulations, so they don't have to cap out-of-pocket costs, can have an annual limit on benefits and the insurance companies can spend larger percent of premiums on overhead. Because they are underwritten, they also have the ability to deny coverage to applicants.

But short-term health plans can be an appropriate choice for some consumers. However, make sure you review your coverage terms thoroughly because of the differences in the level of coverage from the more traditional permanent plans.

New this year, since the individual mandate has been repealed, individuals won't pay a penalty for buying a short-term plan instead of an ACA-compliant plan. XShort-term plans had been limited to 90 days under ACA. The intent was to restrict these plans as a stop gap between other coverage. But the Trump administration rolled back the restrictions on short-term plans, which means consumers can once again buy temporary plans for a longer period of time.

Consult with your CPI Agent or Sales & Service Associate to see if these short-term plans may be suitable for you.

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

CONGRATULATIONS to the **2018 MMAC Future 50** Award Winners:

Crescendo Collective – 2nd year Winner

First Choice Ingredients, Inc. – 1st year Winner

Anderson Ashton, Inc. – 1st year Winner

The MMAC-COSBE Future 50 program recognizes the outstanding achievements of fast-growing businesses in the Milwaukee Region. These are privately-owned companies in Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington and Waukesha that have been in business for at least three years and have shown significant revenue and employment growth. Milwaukee's Future 50 Program was established in 1988.

Rupena's Fine Foods of West Allis was recognized in the Milwaukee Journal-Sentinel this past October. The third-generation grocer has created a niche market in their quest to keep their customers satisfied and hold the big-box stores at bay. The market, known for their fresh meats, seasonings and homemade salads and bakery, prides itself on the personal service they give each and every customer. The addition of their catering business also helped them stay more current in the industry.

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: I have an employer group with under 20 employees that would like to eliminate their premium contribution to an employee's spouse if that spouse has access to their own employer coverage. Do you have specific language for the employee handbook and benefit summary for that premium contribution rule? Do you have an affidavit for employees to complete that have a spouse without access to employer health insurance? Any other employer information that would be pertinent to this situation, please include in your response.

Answer: There are spousal surcharge and carve-out options that exist that could be used to restrict enrollment for spouses and based on what was shared it appears the employer is looking toward the spousal carve out (aka working spouse carve out) as a possible option. Either option would need to be included in the carrier contracts and cafeteria plan document (if applied to pre-tax benefits) but are permissible if the carriers allow (and some state laws weigh in on this) and it is administered in a nondiscriminatory manner.

With a spousal surcharge program an employee pays an additional cost to cover a working spouse who has the option to elect health coverage from his/her employer but has waived. A spousal surcharge will apply only if the spouse declines coverage in his/her own employer's plan when eligible to enroll.

"Spousal carve out" refers to a type of provision restricting eligibility under an employer-sponsored group health plan which focuses not on charging more but actually excluding from eligibility. The typical carve-out provision excludes the employee's spouse if the spouse is eligible for coverage under any other employer's group plan. Another variation of a carve-out provision excludes the employee's spouse if the spouse is eligible for but not enrolled in coverage under another employer's group health plan.

If this route is taken it would be best to take into consideration any possible "grandfathering" of existing enrolled dependents versus those looking to add in the future as well as COBRA rights for any being removed.

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.

BEHIND THE SCENES

We would like to introduce Laura Cottrill, a new Sales and Service Associate who joined the CPI Team in September. Laura is a native Wisconsinite. She received her Associates degree in Travel Services and then furthered her education with a Bachelor of Science Degree in Healthcare Administration from the University of Wisconsin-Milwaukee. She has 13 years of experience in the insurance industry.

When not working Laura enjoys spending time with her husband and children, reading and going to movies.

She will be working with Jon A. Cyganiak and Jon I. Cyganiak.

Laura Cottrill
Sales & Service Associate

REVIEW INSURANCE BILLS MONTHLY

It is easy to get caught up in the everyday activities of business, to always expect things to be the same as they always have been. When there is deviation from everyday normalcy there can be a slight set back, or complete upheaval.

Reviewing your insurance premium notices can often fall under the title of everyday activities. Companies that have a lot of turnover are probably in the habit of review statements monthly to make sure terminated employees have been removed from coverage. When you have little turn over the insurance premium doesn't change. You expect the bill to be the same every month and may pay without reviewing it closely.

There can be small or large repercussions to having the wrong people insured. The easiest way to monitor this is to review your insurance bill monthly.

Most insurance companies only allow a credit for billing errors. Someone who has left the company or gone on a spouse's insurance should be removed immediately. If you wait more than 30 days from the event you run the risk of paying premium for someone who won't be using it and wasting your company's money unnecessarily. Even if a terminated employee may be electing Continuation you should cancel their coverage pending receipt of their paperwork and premium. They can always be added back onto the plan if they elect coverage timely.

Explain to employees the importance of communicating events that change their family dynamics. Everyone remembers to add newborn or newly adopted children. They need the coverage. But what about high school or college graduates? It is important that you, or your human resources person, know to remove these dependents. According to a recent survey 5-15% of ineligible dependents are on insurance bills.

Reviewing your premium notice can also alert you to errors or oversights on your part, or error by the carrier. It is a great way to check and make sure new employees are on the insurance, or more importantly the right lines of coverage. If a name doesn't appear that should check with your agent to determine why.

It is important to make sure that your monthly premium notices are correct and the easiest way to do that reviewing it before you write the check. It shouldn't take more than 5 – 10 minutes and can save you premium dollars and your employees claims hassles if there are mistakes.

WEB SITES

Here are some sites you can surf on the net to find out more regarding your health insurance and health related matters.

1094 and 1095 Reporting Information

Instructions for Forms 1094-B and 1095 B
Instructions for Forms 1094-C and 1095 C
Form 1094-B
Form 1094-C
Form 1095-B
Form 1095-C

BadgerCare Reform Demonstration Waiver FAQs