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President

According to a recent survey from HealthCare.com many employees have a false sense of security when it comes to their knowledge of health insurance.

- 1 in 4 Americans say they didn't understand their benefits and in turn had higher than expected medical bills.
- Half believe copays count toward deductibles, which they generally do not.
- Half say they can't afford insurance without employer coverage.
- 3 in 10 stay in, or take, jobs they don't like just for the health insurance.

People feel they have a good understanding of insurance and their benefits. However, less than half can identify a health savings account, a benefit style that is utilized by close to 50% of employers. 40% say they know what premiums are, and only 35% feel they understand "benefits".

The ACA essentially erased pre-existing conditions for most health plans. Yet 18% of people think they can't change jobs because their pre-existing condition would not be covered.

For people to get the most out of their health insurance they need to understand the basic concepts. It is our jobs as agents to help employees, and individuals, to grasp these. Annual employee meetings, access to agents and service associates and encouraging questions when claims don't look correct is a good start.

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 Jcyganiak@cyganiakplanning.com

Regards,

Jon A. Cyganiak, CLU
 President

Source: <https://www.benefitspro.com/2022/07/15/health-insurance-illiteracy-costs-employees-study-finds/>



THE SECRETS OF HAPPY PEOPLE

1. **Nurture Social Ties** – It is important to have face-to-face time with friends and family
2. **Give thanks for big and small** – Appreciating what is good in your life is a mood lifter. Hug your kids, spouse, or pets!
3. **Lend a Hand** – Helping others makes you feel good which leads to happiness.
4. **Talk nicer to yourself** – Thinking positive about yourself is essential to good mental health.
5. **Find joy in Moving** – Exercise releases “feel-good” hormones and eases stress and anxiety. Kitchen Dance Party time!!
6. **Create and Play** – It is important to have down time to do the things you like and enjoy yourself. Go have fun and be silly.
7. **Get your Pillow Time** – Quality sleep is essential. Make sure to try and get seven to nine hours a night.
8. **Look on the Brighter Side** – Everyone makes mistakes. Don't beat yourself up when you do. Look at your success...not the failure.

Source: *UnitedHealthcare; Healthy Mind, Healthy Body, February, 2016*

IMPLICATIONS OF SCOTUS DECISION

Dobbs v. Jackson Women's Health Organization

When the Supreme Court determined that abortion rights are not implicitly guaranteed under the United States Constitution it opened the door for several states to pass abortion ban laws. And with these new laws, spread across many states, came many questions dealing with employee benefits. While it will take some time to sort out all the answers existing laws can answer some questions now.

Fully insured plans dealing with abortion benefits will be dictated by state laws. Some states may permit employers to purchase riders covering abortions if there are no laws on the books. Others may expressly prohibit abortions, while others may mandate its coverage. A map showing the current status of each state can be found [here](#).

Self-funded plans are generally not subject to state laws outlining employee benefits because ERISA preempts such laws. However, a self-funded plan cannot pay for a procedure that is illegal in the location in which it is performed. Therefore, plans that continue providing for abortion coverage will only be able to pay for such procedures when performed legally.

And while self-funded plans are subject to federal ERISA laws, some states have challenged that. In 2020 the Supreme Court ruled that an Arkansas state law regulating pharmacy benefit managers was not preempted by ERISA. It is possible that some states will try to pass similar laws to limit their state's self-funded plans coverage of abortions and any travel out of state for similar purposes.

There are still many complicated questions surrounding the matter. Generally speaking, travel expenses primarily for medical procedures are covered by tax law for reimbursement under pre-tax FSA plans. But plans are subject to criminal laws. If a state prohibits a resident traveling to obtain an abortion, then such coverage may be prohibited as well. Also to be determined, are treatment of prescriptions related to abortion inducement, plans operating in multiple states, and the application of illegal act coverage exclusions.

Source: <http://newsmanager.commpartners.com/nahuw/issues/2022-07-08/5.html>



LEGISLATIVE UPDATES



FEDERAL

The Affordable Care Act requires insurance companies to spend 80 percent of their premium revenues (85 percent for large groups) on health care claims or quality improvement activities. This fall about \$1 billion in premium rebates is expected to be returned to eligible individuals and groups.

This year's rebates, about half of last year's, still shows the impact that COVID has had on health claims. Last year many people avoided in-office care whenever possible, and medical offices limited the number of patients they saw.

Preliminary data reported to the National Association of Insurance Commissioners (NAIC) shows the individual market receiving the largest number of rebates.

Source: <https://www.benefitspro.com/2022/06/02/insurers-to-pay-1-billion-in-aca-rebates/>

Part of the ACA requires Applicable Large Employers to offer employees affordable, minimum value coverage, but it is calculated on the employee-only cost of coverage. If it was not affordable that employee would qualify for a subsidy through the Marketplace. However, this option was not extended to any family members.

This "family glitch" will hopefully be resolved soon. The IRS is proposing a fix to the current rule that would make it possible for family members to qualify for the federal tax credit.

Currently employers offer affordable coverage if the employee's contribution toward the lowest cost employee-only coverage is less than 9.5% (as adjusted) of the employee's household income. Under the proposed rule the employee's contribution toward the lowest cost plan, for all tiers of coverage, could not exceed 9.5% (as adjusted) of the household income.

Employees who are offered affordable, minimum value, employee-only coverage remain ineligible for any federal subsidy assistance. However, if the other tiers of coverage that cover the employee's spouse and/or dependent children are not also offered affordable coverage, those family members could now potentially become eligible for federal subsidy assistance, depending on overall household earnings.



REVISED SURPRISE BILLING INDEPENDENT DISPUTE RESOLUTION GUIDANCE



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The Centers for Medicare and Medicaid Services recently opened the much-anticipated federal [Independent Dispute Resolution \(IDR\) Portal](#), a component of the No Surprises Act section of the Consolidated Appropriations Act of 2021 (the Act). The opening of the portal and newly released guidance are part of the implementation of the balance billing protections contained

in the Act. For plan years beginning January 1, 2022, and any date thereafter, the Act prohibits health care providers from charging “out-of-network” rates for emergency care, air ambulance services, and all care from an “out-of-network” provider at an “in-network” facility. Per the Act, the IDR portal is available to facilitate the resolution of disputes between providers and health plans over claims costs for those “out-of-network” services when the parties cannot otherwise come to an agreement on payment details.

To support the IDR process, several federal departments jointly released; (1) [guidance for IDR entities](#), those entities that are approved to mediate these billing disputes, (2) [updated](#)

[guidance for health plans and providers](#) who might engage in the IDR process, and (3) [FAQs](#) for healthcare providers.

The updated IDR guidance accounts for the late-February 2022 federal court ruling that IDR entities should not rely predominantly on the plan’s qualifying payment amount (QPA), meaning the median rate for a particular “in-network” service, when resolving disputes. These amounts are one of the components that health plans are required to submit when engaging in the IDR process. With the exception of air ambulance services, the revised guidance now reflects that the QPA should be considered equally alongside other creditable information in the IDR’s determination process. Notably, the guidance indicates that IDR entities should continue to rely on QPAs when resolving disputes regarding air ambulance services unless compelling evidence is presented to justify a different approach.

As these updates underscore, the IDR process continues to evolve. We will continue to monitor developments and provide relevant updates.

Source: NAHU

RETIREMENT FOR GENERATIONS

Saving for retirement can seem like an insurmountable task when starting your first “real” job. But it is one of the most important things you will ever save for. What can start out as just a small account will quickly grow with steady and consistent funding.

More employers are offering funding vehicles like 401(k)s. And while even more people are taking advantage of these options there are still more who could.

Bank of America released their 2022 Financial Life Benefits Impact Report recently. It revealed some interesting statistics.

- **Millennials are not utilizing their 401(k)s to the fullest potential.** They are the least likely to invest, and when they do 70% contribute less than \$5,000 annually.
- **The Automatic features drive positive 401(k) participation.** Participation more than doubles with auto-enrollment.
- **Gen Z women are closing the gender gap.** 55% of women participate in 401(k) plans compared to 62% of men...and

men have 55% more in 401(k) balances. However, in total retirement savings women have on average 3% higher account balances.

- **Target date funds (TDFs) are still an attractive option.** TDFs offer an age-based retirement investment strategy that has more aggressive investing when young that becomes more conservative over time. 4 in 5 employees seem to like the strategy, with millennials investing almost twice as much money as baby boomers.
- **Health Savings Account assets are being invested when possible.** Usage of the investment component of an HSA account increased up to 3% across all generations.

There is an old adage that says pay yourself first. It is important to start paying yourself for your future. The more money you can save when young means that much more to grow over time.

Source: <https://www.benefitspro.com/2022/07/15/there-is-always-improvement-for-401k-plans>



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.

The Milwaukee Journal Sentinel named their 2022 Top Choice Awards winners. The Readers' Choice survey, in its eighth year, encourages the public to vote for their favorite businesses in the Greater Milwaukee Area and surrounding communities. Here are CPI clients that were honored:

- Dave's Garage - Top Automotive Repair
- Scrub-A-Dub - Top Car Wash/Detail Shop
- Dorshak Tree Specialists - Top Tree Service Company
- Discount Liquor - Top Liquor Store

Congratulations to **Milwaukee Admirals President Jon Greenberg** for being named the American Hockey League's executive of the year. Greenberg led the team

to a financially successful season this past year after being idle due to COVID restrictions for 18 months.

The Admiral's ticket and promotion staff was also recognized for top ticket revenue growth among the AHL Western Conference teams and for the top individual promotion for its "Milwaukee Fish Fry" team rebranding to support "Made in Milwaukee Weekend" this past March.

The Admirals open their **2022-2023 season** on October 15th.

The Future 50 program recognizes fast-growing, privately-owned companies in southeastern Wisconsin that have been in business for at least three years and have shown significant revenue and employment growth. Here is a list of the Cyganiak Planning 2022 Future 50 winners.

American Construction Services, Inc.

LePoidevin Marketing

Mars Solutions Group

Riverwater Partners

THE Q & A CORNER



Aaron Bielawski
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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 a group in Wisconsin with 17 full and part time employees. An employee must work 30+ hours per week to be eligible for medical benefits. They mentioned they have part-time employees who are eligible, but they haven't offered them benefits yet. Can the employer offer medical to them but have them pay a higher premium than the full-time employees pay?

ANSWER: As we discussed, while the employer can work with their carrier to permit the employer to charge a different amount to part-time employees vs. full-time employees if they choose to offer this pre-tax there are some considerations around nondiscrimination testing that must be evaluated.

Further, regardless of pre-tax or after-tax, the program must accomplish in their rules clear definitions of mid-year event rights (if any) due to reclassification as well as clear definitions of part-time vs. full-time for benefits purposes of eligibility.

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.



THE MEDICARE PROCESS



Steve Flewellen
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Turning 65 is a big milestone. One that comes with many things to consider...

Can I stay on my employer plan? How do I sign up for Medicare? What is Medicare part D?

When you approach this milestone there are decisions to be made that you have never thought about before. You have paid for

Medicare Part A your entire working life. If you have insurance with an employer who has more than 20 employees, you can waive Medicare Part B and stay on your employer's plan (www.medicare.gov/your-medicare-costs/part-b-costs). You will need to weigh out the pros and cons of staying on your plan at work vs buying separate Medicare plans.

If you are enrolling in Part B, some people choose to have that cost come out of their social security income. If you are not taking social security, then you need to actively sign up for Medicare. You can do this at medicare.gov or call your local Social Security office and schedule a phone appointment. You will want to do this about three months prior to your birth month. If you are born on the first day of the month your Medicare eligibility is the month before your birth month. Any other day, and your Medicare eligibility is the first of your birth month.

You have three months before, the month of, and three months after your birthday to sign up. Preferably you will sign up three months prior. It will take two to three weeks for your Medicare cards to come in the mail. Once you have them, you can buy a Medicare Supplement and a Part D drug plan or consider a Medicare Advantage Plan.

The basic concept of an Advantage Plan is you pay a low premium monthly but have somewhere between \$4000 and \$7000 in total annual risk. Advantage Plans typically have a Part D drug plan built in, but not always.

Medicare paired with a supplement makes it so you generally are responsible for only the Part B deductible which is a couple hundred dollars (\$233 in 2022). My favorite supplement is about \$160 a month so it is less expensive than regular medical insurance with far better coverage. Supplements do not have Part D drug plans built in; it is a separate consideration if you want the better medical plan.

Medicare.gov has a great tool to help determine which Part D drug plan is best given your medications dosage and frequency. It aligns the plans in the least costly to most costly fashion, so it makes it easy to choose the right plan. However, if you are on a couple inexpensive generics or no meds at all, you should consider SeniorCare Rx (www.dhs.wisconsin.gov/seniorcare/index.htm). SeniorCare Rx is \$30 a year and it stops the penalty for not signing up for a Medicare Part D product.

This is just a broad view of what to consider when approaching the age of 65. There are different variables for each person that help steer them in one direction or another. There is not a one-size fits all product for everyone. This is something that needs to be discussed and thought about so you can choose what is right for you.

FOREIGN TRAVEL MEDICAL CARE



Eric Pierson
Sales Associate

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Now that people are finally getting back to traveling and working outside the United States, we get more and more questions about access to medical coverage while out of the country. While no two insurance companies have the exact same coverage, it's generally something that isn't "covered".

Some will cover true emergency treatment and process it with a Maximum Allowable Fee (MAF). You will probably need to submit a claim to the insurance carrier for processing rather than it being submitted directly from the provider. There can also be language and even currency barriers that can make it difficult to submit and process claims, so it can be a challenge.

You'll also want to understand that many hospitals, providers, etc. will be out-of-network so there will be a question as to how much will actually be covered. Without a contract with an insurance carrier, they do not have to discount any procedures and can bill you the difference of what the coverage paid. Keep in mind foreign providers most likely want you to pay before you leave country, as collecting after you leave is problematic for them.

A travel agent can be an excellent resource for getting information on medical care and insurance for your destination. You can also purchase specific insurance products for coverage while traveling. An example would be GeoBlue Travel Medical and International Health Insurance, an independent licensee of the Blue Cross Blue Shield Association.

No matter what you decide be sure that you have given thought to how you would handle those unexpected emergencies.