



tions [SPDs] are understandably concerned about the duplications and additional costs associated with elements of the new SBC requirement,” the CCH report said.

The Employee Benefits Security Administration, the IRS and the Department of Health and Human Services (HHS) are accepting comments through Oct. 21, 2011, on how this new communication should be coordinated with SPDs and other enrollment materials.

Plan ‘Affordability’

Prior to the release of the proposed SBC rules, the IRS announced it would create new rules to make it easier for employers to determine if their health plans meet the affordability requirements under PPACA, according to a Workforce Management report. Under current rules,

plans with single-coverage premium contributions that top 9.5 percent of a worker’s family income would be subject to an annual \$3,000 penalty in 2014. The new rules would allow employers to base their calculations on wages instead of income, ensuring a more accurate picture of affordability, the IRS stated.

HRA Update

Meanwhile, the HHS loosened some of the PPACA rules on annual dollar limits as they apply to stand-alone health reimbursement accounts (HRAs). HHS announced that sponsors of stand-alone HRAs are exempt from the annual limit requirements on coverage of essential benefits (\$750,000 in 2011, \$1.25 million in 2012 and \$2 million in 2013). However, the exemption disappears after 2014, according to Buck Consultants.



IN BRIEF

FEE DISCLOSURES

The Department of Labor (DOL) has given employers an extra month to disclose 401(k) fees and expenses to plan participants. While the effective date of the disclosure rules for calendar year plans remains Jan. 1, 2012, plan sponsors will have until May 31, 2012, to communicate those fees to participants. Previously, the DOL said the information had to be delivered no later than April 30.

HERE COMES HIPAA

The Department of Health and Human Services (HHS) has chosen two vendors to conduct audits of

CDHPs

Despite Slower Growth, CDHPs Still Hold Promise

While new research points to a slowdown in the growth of consumer-driven health care plans (CDHPs), some experts say the high-deductible options still have a lot of life left in them.

CDHPs in the U.S. experienced continued growth in 2011, but at a slower rate than in 2009 and 2010, according to preliminary results released by United Benefit Advisors (UBA) from its 2011 UBA Health Plan Survey.

CDHPs grew at a rate of 13.9 percent this year (about two-thirds of the 2010 rate) to 22.9 percent of plans offered and covered more employees (17.3 percent) than HMOs (11.9 percent), according to Bill Stafford, UBA’s vice president, member services.

The Northeast region of the country had the largest concentration of CDHPs (31.3 percent), followed by the Southeast region (27.4 percent). The average cost increase for all CDHPs at 8.0 percent was slightly lower than that of the average of all plan types, which increased 8.2 percent this year.

“For the first time in more than seven years of reporting, first-year CDHPs

nationally did not create a savings over the clients' in-force plan prior to renewal. This year, first-year CDHPs experienced an increase (2.1 percent), albeit less than the average 8.2 percent increase of all plans," Stafford said. "As these plans become more prevalent, the percentage of savings has continually declined."

Despite this slowdown in growth and savings, some experts predict the continuing rise in overall costs and the pressures created by health care

reform will make CDHPs an attractive choice for many employers well into the future.

"Unless there's a significant change in any of the legislation, CDHPs will remain a viable option post-health care reform," said Nick Calabrese of CIGNA Corp. in a recent Business Insurance article. "If you rewind the clock back to before health care reform, there was concern on our end whether they would be eliminated. But, by and large, they were left

untouched."

Most CDHPs will meet the minimum coverage and affordability requirements under health care reform, according to the Business Insurance report. By dodging those bullets, CDHPs likely will remain a good option for many employers who are looking for a "double-duty" plan that both reduces costs and improves employee engagement, Calabrese said.

IN BRIEF *(continued)*

companies and entities covered by HIPAA. Likely, this means HHS is ready to dramatically increase its compliance efforts, as mandated by the Health Information Technology for Economic and Clinical Health (HITECH) Act, according to Adam H. Greene, a partner with Davis Wright Tremaine and a former HHS official.

BETTER-PAID GRADS

A new survey finds the average starting salary for the college Class of 2011 increased 4.8 percent over the previous class, according to the National Association of Colleges and Employers. The research shows the overall average salary was \$51,018, up from \$48,661 in 2010.



Wellness

Good Wellness Starts with Hard Facts

When kicking off a wellness program, employers often rely on big events -- health fairs, walk-a-thons and gym membership promotions, to name a few.

To ensure long-term success, however, employers also need to sweat the details of their plan. That means gathering lots of data with a health risk assessment, experts say.

Research shows that health risk assess-

ments are crucial to wellness programs because they can gather a wealth of accurate and unique information about the participants, according to a recent report on the Society for Human Resource Management's website. This information allows employers to specifically tailor programs that are best suited for individual workers and turns an assessment into a "teachable moment that is highly conducive to engaging individuals in health im-

provement programs," the SHRM report's authors noted.

While a volume of research demonstrates the value of assessments, recent regulations from a number of federal laws have dampened the excitement for these wellness tools. Specifically, the Genetic Information and Non-discrimination Act (GINA) prohibits employers from gathering genetic data, including family medical history,



via health risk assessments unless the information is given voluntarily. Employers can offer incentives to encourage employees to take an assessment, but only if the assessment does not require data on family medical history or other genetic information. Also, employers must make it clear the incentive is not tied to answering those questions, according to the law firm of McGuire Woods LLP.

Luckily for employers, the Equal Employment Opportunity Commission (EEOC) recently clarified some rules on GINA and assessments, giving employers a little more wiggle room. In a recent news release posted on HR Morning, the EEOC said employers “may use the genetic information voluntarily provided by an individual to guide that individual into an appropriate disease management program.” This guidance allows employers to use assessment data to steer individuals into specific types of wellness

initiatives. Employers should note, however, that participation in these assessments must remain voluntary, according to the HR Morning report.

HIPAA and the Americans with Disabilities Amendments Act (ADAAA) also can muddy assessment compliance, according to the law firm of Verrill Dana LLP. Both laws contain provisions that prohibit nondiscrimination, which could emerge if genetic data from assessments were mishandled. Each law, however, also offers safe harbors for “bona fide” wellness programs (initiatives that are available to all similarly situated employees) and do not impact plans that offer incentives based on participation, not results.

Verrill Dana noted in a recent publication that under HIPAA and ADAAA, employers can require employees to take an assessment as part of a wellness program, and they can provide

premium discounts or other incentives if they participate. However, they can’t make the assessment a condition of employment, and any incentive must be offered to all similarly situated participants (thus keeping the plan “bona fide”), the law firm states.

Assessments certainly require careful handling, but if done right, they can serve as a cornerstone to an effective wellness program, the SHRM report noted.

“Health assessments . . . have been proven effective in reducing health care cost trends and improving population health and productivity,” the report’s authors wrote. “It is important to recognize, however, that the role of the health assessment is not to change health outcomes but to make it possible to target and tailor proactive outreach and behavior change programs.”

IN BRIEF *(continued)*

BUT MONEY CAN'T BUY HAPPINESS

A recent report by Unum notes that current workers and job seekers look beyond their paychecks when evaluating what matters most in a job. The survey found that 74 percent of responses said a solid benefits package is “very important.” Specifically, 82 percent said financial protection benefits were more important than base pay or bonuses.

BOOMERS TOO BIG?

An Associated Press / LifeGoesStrong.com poll finds that baby boomers are suffering higher obesity rates than other generations. About one-third of baby boomers are obese, based on calculations of body mass index, the survey found. This compares to about a quarter of those in both older and younger generations suffering from obesity. An additional 36 percent of boomers rate as overweight.

PREMIUM PROBLEMS

Small businesses continue to face steep challenges with health care premiums, a release from America’s Health Insurance Plans (AHIP) states. In 2010, the average monthly premium for small-business group health plans was \$426 for single coverage and \$1,117 for family coverage. AHIP’s analysis found that the smaller the company, the higher the premiums, with companies with fewer than 10 employees seeing average monthly premiums of \$446 for single coverage.

IN BRIEF *(continued)*

ADMINISTRATION WOES

Concern about increases in administrative costs tops employers' concerns about the new health care reform law, according to the Lockton Benefit Group. A large majority (93 percent) responded they were at least "somewhat concerned" about the new administrative requirements created by the Patient Protection and Affordable Care Act (PPACA). More than half (56 percent) said they expect the additional reporting and disclosure requirements to cost \$1 to \$3 per employee, per new PPACA notice.

BREAD AND BUTTER:

401(k)s AND HSAs

A new analysis by Fidelity Investments links high 401(k) account balances with the presence of health savings accounts (HSAs). Fidelity found that the average 401(k) balance at the end of 2010 was \$71,500. For those with HSAs, however, the average balance was a whopping \$170,500. Fidelity found that HSA holders, on average, had larger 401(k) accounts regardless of their salary.

GOODBYE PENSIONS, HELLO SUITS

In a recent survey, the Society of Human Resource Management (SHRM) highlighted a number of once-popular benefits and perks that have shrunk under the pressure of a tough economy. SHRM pointed to traditional pension plans as one of the biggest losers. In 2007, 40 percent of companies offered this benefit, but only 22 percent continue to do so now. Retiree health care coverage also took a hit, with 10 percent fewer companies offering the benefit today compared with 2007. Even dress codes are tightening up, the survey found. Only 55 percent of employers say they encourage workers to dress casually once per week, down from 66 percent in 2007.

DOMESTIC STATISTICS

The Bureau of Labor Statistics has released data on employer-sponsored benefits for unmarried domestic partners for the first time. The data show that 33 percent of state and local government workers had access to health care benefits for domestic partners of the same sex, while 29 percent of full-time private-sector workers had access to those benefits. Part-time workers, however, rarely had access to such benefits, with only 9 percent having access to benefits for their same-sex partners, the report said.



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