

SPOTLIGHT ON REFORM

Fees, Taxes, and More Fees

The Patient Protection and Affordable Care Act (PPACA) has established many new fees and taxes to help fund and create dollars for expanded programs and services. The Patient Protection and Affordable Care Act (PPACA) has established many new fees and taxes to help fund and create dollars for expanded programs and services.

PCOR Fee – applies to insured and self-insured plans beginning on or after 10/2/11. First payment is due July 31, 2013. Initial annual fee of \$1 per participant, increasing to \$2 for plan years on or after 10/2/2012. Tax is self-reported on Excise Tax Form 720.

Health Insurance Industry Fee – applies to health insurers, estimated to start at \$8 billion in 2014. It increases year over year before reaching an estimated \$14.3 billion in 2018. This fee only applies to fully insured business. The Patient Protection and Affordable Care Act (PPACA) has established many new fees and taxes to help fund and create dollars for expanded programs and services.

Reinsurance Assessment – applies to insured and self-insured plans, estimated to total \$25 billion collected over a three-year period from 2014-2016. Health insurers will be responsible for the assessment on insured plans. Self-insured customers will be required to make the payment to administrator or TPA.

STRONGER TOGETHER

The Kaiser Family Foundation reported in 2012 that health insurance premiums in America saw a 97% increase since 2002. Government statisticians estimate that health care costs will reach \$13,100 per person in 2018, accounting for \$1 out of every \$5 spent in the economy. In 2012 health care costs exceeded \$9,000 per person in America. In 2012, CU Benefits Alliance reported health care costs just under \$6,000 per person among its participating credit unions. There are several common themes among credit unions that may explain why their employee health benefit costs are below national averages. In general, credit union employees are in their 30's and in good health. Also, credit union corporate cultures tend to adopt health and wellness initiatives, contributing to better overall healthy lifestyles. The results of these trends are lower benefit costs and better cash-flow alignment tied to favorable membership health. Many of the CU Benefits Alliance credit unions had partially self-funded medical plans in 2012 and enjoyed reduced health care costs throughout the year.

“The ROI from being part of the Alliance has been outstanding. In just our first year, we have already enjoyed significantly reduced costs from our employee medical plan.”

– Jeff Kennedy, CEO TwinStar Credit Union

HR SOLUTIONS

The credit union coalition is now in its third year of providing HR technology solutions to automate many aspects of employee benefits administration workflow processes. Through our partner, Salus Group, CU Benefits provides our credit union clients with a fully functional, robust HRIS platform which provides the efficiency and accuracy to allow you to focus on more important tasks. The core components of the Salus Administration Manager (SAM) are:

- Self-service new hire/open enrollment processing, completely seamless and more importantly, paperless.
- Consolidated billing – one bill for all lines of coverage.
- Eligibility data distribution – with your insurance carriers and your HRIS system.
- COBRA Administration



SPOTLIGHT ON WELLNESS

This quarter's "Spotlight on Wellness" goes to Maps Credit Union in Salem, OR. This May, Maps has partnered with Cigna to provide all employees and family members with onsite biometric screenings. This day-long event provides each employee and family member with screening results in as little as 15 minutes. Results that will help each participant gain perspective on their health and wellness, and plan for small lifestyle changes that can have major effects on their health and wellbeing. Maps is also participating in a Marion County initiative called "5210 in 30 challenge" which stands for (5) fruits or vegetables, (2) hours recreational screen time, (1) exercise hour, and (0) sugared drinks, each day for 30 days. This challenge is especially important for families, so that a culture of wellness exists not only in the workplace, but also at home. Maps was recently honored with CUNA's "Excellence in HR/Training & Development Management Practices" award at the CUNA HR/Training and Development Council conference in April 2013, in recognition of their Wellness initiatives.

REMINDER!

We have scheduled a webinar on
Thursday, May 9
9:00-11:00 a.m. PST.

The topic of the webinar is
Healthcare Reform given by our
legal counsel, Dave Uyemura.

You should have received your
login and password information
already if you are attending. If
not, please contact Sherry
Campbell to get the information.
We look forward to this
informational session and hope
that you are as well.

877-674-7555
cuBenefitsAlliance.com

COMING SOON — Group Long Term Care!

Research shows that at least 70 percent of people over 65 will need long term care (LTC) services at some point in their lifetime.¹ And while most people think of long term care as impacting only those in senior years, 40 percent of people currently receiving long term care services are ages 18 to 64.²

CU Benefits Alliance has recently partnered with MasterCare Solutions, the Nation's 4th largest LTC general agent to bring group LTC to all credit union partners.

Why Purchase It?

- Preserve retirement savings and income
- Protect your independence. You decide when, where and from whom you receive care
- Peace of mind

Benefits of Offering LTC at Work:

- Discounts up to 45% for employees and families
- Simplified Underwriting
- Convenience, costs can be payroll deducted
- Value add to a robust benefits portfolio

^{1.} 1 Medicare & You, National Medicare Handbook, Centers for Medicare and Medicaid Services, Revised November 2012.

^{2.} 2 U.S. Department of Health and Human Services National Clearinghouse for Long Term Care Information, 02/14/13.