

*"This publication is only for general informational purposes and is not intended as specific legal or insurance advice. Please contact Bollinger directly to discuss your specific needs."*

## Legislative/Regulatory News

### **IRS Issues Additional Q&As On COBRA Premium Assistance Subsidy**

The IRS has posted on its website additional questions and answers (Q&As) on the COBRA premium subsidy enacted pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA created rights to COBRA premium assistance for employees who are involuntarily terminated between September 1, 2008 and December 31, 2009. Assistance eligible individuals (AEIs) pay a reduced premium equal to 35% of the COBRA premium. The employer pays the other 65% and then is reimbursed for the subsidy by the federal government. Click [here](#) to access the IRS website.

### **Group Health Plans Will Face Challenges with GINA**

Plan sponsors and administrators must prepare their group health plans to comply with new restrictions on their collection, use and disclosure of genetic information applicable to group health plans under Title I of the [Genetic Information Nondiscrimination Act of 2008](#). Click [here](#) to continue.

### **Regulators Seek Guidance on Mental Parity Law**

A group of federal agencies recently issued a [notice](#) requesting public comments from health benefits stakeholders – especially sponsors of group health plans – on the Click [here](#) to continue.

### **New HIPAA Regulations Could Bring More Enforcement, Lawsuits**

New provisions to the Health Insurance Portability and Accountability Act that were included in the economic stimulus law signed in February could have broad implications for employers, their relationships with health insurers and their liability in protecting personal health information. Click [here](#) to continue.

### **Complying with FMLA During Layoffs**

Layoffs are becoming more common, sometimes occurring when some employees are out on leave designated by the Family and Medical Leave Act. Employers, however, have an obligation to ensure that employees being laid off while on FMLA leave are not being let go simply because they are on leave, says one labor expert. Click [here](#) to continue.

### **EEOC Tackles Caregivers' Rights in the Workplace**

The Equal Employment Opportunity Commission recently issued guidance to help employers avoid discrimination lawsuits filed by workers with caregiving responsibilities. Click [here](#) to continue.

## Question of the Month: COBRA Subsidies

QUESTION: I understand that in order to be eligible for the new COBRA premium subsidy, the employee must be involuntarily terminated. What is considered an involuntary termination of employment? Click [here](#) for the answer.

### Benefit Trends

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## Health Care Reform: An Introduction

Health care reform has emerged as an issue in the 111th Congress, driven by growing concern about widely discussed problems. Three predominant concerns involve coverage, cost and spending, and quality. Commonly cited figures indicate that more than 45 million people have no insurance, which can limit their access to care and their ability to pay for the care they receive. Costs are rising for nearly everyone, and the country now spends over \$2.2 trillion, more than 16% of gross domestic product (GDP), on health care services and products, far more than other industrialized countries. For all this spending, the country scores but average or somewhat worse on many indicators of health care quality. Click [here](#) to continue.

## COBRA Worries Cash-Poor Businesses

Firms must pay now, wait for reimbursement. Some companies are concerned the federal requirement could cause cash flow problems because of the up-to-three month delay for reimbursement. Click [here](#) to continue.

## Recession Will Cause More Health Cost Shifting

The recession likely will boost group health care costs higher than employers anticipated, leading more organizations to shift more costs to employees and adopt lower-cost consumer-driven health plans, according to a survey released last week. Click [here](#) to continue.

## Wellness: Collaborations Are The Key

A consensus is emerging that for wellness programs to be effective, they must be incorporated into people's daily lives. To help people make good health a priority as they go about daily living, health plans are forming partnerships with employers, physicians, schools, and communities to offer wellness programs that support healthy behaviors in a range of environments. Click [here](#) to continue.

## Most Workers Underestimate Employer's Health Costs, But Value 401(k) Matches

Most U.S. workers underestimate the employer cost of providing health insurance to employees, a worker sentiment study by Fidelity Investments' consulting services finds, while separate Fidelity research reveals the extent to which 401(k) matches drive plan participation. Click [here](#) to continue.

## Six-Year Study of CDH Plans Quantifies Employer Savings

Health insurance firm Aetna released the results of a six-year study of health care claims and utilization for members in its Aetna HealthFund consumer-directed health (CDH) plans, showing that employers' costs were lowered when more employees enrolled in a CDH plan

option and that employees who selected a CDH plan increased their use of preventive care services and reduced their use of hospital emergency rooms. Click [here](#) to continue.

## Unhealthy Employees Cut Productivity, Study Finds

Poor health among U.S. workers costs employers much more in reduced productivity than many realize, according to a multi-year study of 10 employers and more than 150,000 workers. The study, published this month in the *Journal of Occupational and Environmental Medicine*, found that presenteeism—when employees are present at their jobs but unable to perform at full capacity—creates a greater drain on company productivity than employee absence, a finding that may come as a surprise to many employers, researchers say. Click [here](#) to continue.

## Layoffs May Increase Retirement Plan Costs

While employers are actively reviewing the nature of employee terminations for COBRA, you should also be carefully considering the number of participants who may have been terminated from qualified retirement plans, and whether or not a partial termination has occurred. What employers frequently overlook when conducting layoffs is the “hidden costs” of triggering a “partial termination” of a qualified retirement plan. Click [here](#) to continue.

## 401(k)risis

Soon after Section 401(k) of the Internal Revenue Code took effect in 1980, it morphed from an obscure investment option into the goose that laid the golden nest egg. Has that goose now been cooked? The value of the equities held in defined-contribution plans has declined by \$2.8 trillion since the market peaked in 2007. The Hewitt 401(k) Index finds employees moving substantial sums into fixed-income investments. And multiple surveys have found that a majority of employees, from the C-suite to the front lines, are now delaying or reconsidering their retirement plans as a result of the sharp decrease in their personal wealth. Click [here](#) to continue.

## Group LTD Coverage Draws a Younger Crowd

Employees who buy long-term care insurance under a group plan at the workplace are younger than those who buy LTC coverage on the individual market, reports the American Association for Long-Term Care Insurance. The California-based trade group found that 24% of buyers purchasing LTC coverage through an employer-sponsored plan were between the ages of 35 and 44, while only 5% of consumers who purchase LTC insurance on an individual basis fell into that age category. Click [here](#) to continue.

### Carrier News

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## Aetna Health Reform Weekly

Click [here](#) to read a weekly compilation of health care-related developments in Washington D.C. and state legislatures across the country.

## Health Net's Decision Power Healthy Discounts

Click [here](#) for details on Health Net's Health and Wellness Member Discounts.

## Horizon and University of Pennsylvania Reach Rate Agreement

Horizon BCBSNJ and the University of Pennsylvania Health System recently reached a long-term rate agreement that will keep the facility in the Horizon BCBSNJ hospital network. Click [here](#) to continue.

## Infinisource News & Review

Click [here](#) to read the May issue of News & Review.

## MetLife Study of Employee Benefits Trends

Click [here](#) to download MetLife's 7<sup>th</sup> annual findings from the national survey of employers and employees.

Personal Lines Updates

## Risk Management Strategies for Hiring Domestic Workers

More and more homeowners in the United States now employ domestic workers, either on a full-time or part-time basis. In fact, the U.S. Census Bureau estimates that there are at least 1.5 million domestic workers across the country. The services these domestics render are great, but so are the risks for the employer. Click [here](#) to continue.

Risk Management

## Flu Fears Trigger Crisis Response Plans

Risk managers around the globe are working to reduce the risk to their organizations of a possible influenza pandemic by doing everything from offering basic advice on avoiding infection to ensuring that business continuity plans are in place. Click [here](#) to continue.



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