What’s New at Custom Design Benefits?

A Message from Julie Mueller

I hope that you and your families are taking advantage of all the nice weather and enjoying a fun-filled summer. Your Custom Design Benefits team is keeping busy as we begin our preparation to assist our clients and their brokers with their renewal decisions. Although, for most of our clients, discussion items such as plan design, networks, and stop-loss will take place later this year, CDB is pleased to provide exciting new options. Below are some announcements and updates. . .

TrueCost

TrueCost, our referenced-based pricing product, is gaining more traction in our marketplace as employers seek game-changing cost-containment strategies. Our TrueCost plan eliminates the complexity and expense of PPOs (no in- or out-of-network benefits or trying to calculate the discount on "billed charges").

Provider reimbursements are based on reasonable and appropriate Medicare rates plus an additional percentage, which provides true transparency and predictability in your healthcare costs. Compared to actual allowable PPO "Billed Charges," TrueCost pricing produces an average savings that is almost twice the average PPO discount.

TrueCost gives employers the opportunity to contract directly with high-quality healthcare providers. You will have the opportunity to hear directly from many of the hospital systems at our upcoming Annual Customer Conference. We look forward to seeing you on September 10th.

Kroger Prescription Plan

In addition to CDB’s open network of 60,000 retail pharmacies, CDB clients now have access to the Kroger Prescription Plan (KPP), a cost-effective and full-service
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pharmacy benefits manager (PBM). KPP’s "preferred" network includes 2,250 retail pharmacies across 38 states and over 5,000 pharmacists on staff, plus Specialty and Mail Order.

Level Funding

Level Funding is an innovative alternative to a fully-insured medical plan that involves a fixed monthly cost. Unlike fully-insured medical plans, employers participating in Level Funding will keep any unused dollars in their claim fund.

Level Funding works like this: employers pay a regular and fixed monthly cost into their own selected account which includes all components (administration, stop-loss insurance, and claims). Any claim fund surpluses are retained by the employer while any claim fund deficits become the liability of the stop-loss carriers. Plus, employers and their brokers receive monthly experience reports that provide details of how healthcare dollars are being spent.

Level Funding has the look and feel of a fully insured group health plan with all the advantages of traditional self-funded medical benefits plans.

Cigna PPO Network

CDB recently announced that clients now have access to the Cigna PPO Network, a nationwide network of nearly 800,000 healthcare professionals and 6,000 hospitals. The Cigna PPO Network offers a national network solution that features broad access with competitive discounts. Also, the nationally known, highly regarded Cigna brand will be recognized and valued by employees and their families.

Custom Design Benefits works year-round to develop innovative cost containment solutions for employee benefits, so enjoy your summer. We’ll be looking forward to working with you.

CDB and Kroger Prescription Plan offer a “Hometown” Healthcare Solution

Custom Design Benefits announced a new agreement with Kroger Prescription Plans (KPP). This partnership makes it possible for local employers to leverage healthcare cost containment strategies with two of Cincinnati’s “hometown” leaders.

"Kroger Prescription Plans not only offers a transparent platform to help control prescription drug costs, but is locally headquartered in Cincinnati to better serve our local clients, their employees and families," said Steve Chapel, CEO of Custom Design Benefits. "We are thrilled to offer a "hometown" team like KPP as an additional option to our open network of 60,000 retail pharmacies."

Kroger Prescription Plans has provided comprehensive Pharmacy Benefits Management services since 1993. KPP leverages the buying power of The Kroger Co. to drive lower costs while at the same time delivering Customer First service from its pharmacy and store teams.

Transparency is a key feature of KPP, and employers utilizing KPP can be confident that all cost savings will be directly passed through to them. Unlike the typical PBM where there can be some hidden costs, KPP’s transparent approach allows clients to know exactly how much they are spending for their companies’ prescription drug benefits.

With KPP pharmacy benefit management (PBM), Custom Design Benefits now offers even more options to clients. In addition to utilizing the pharmacy services at their local Kroger, employees and their families may also take advantage of KPP’s large nationwide open network of participating retail pharmacies.

KPP also offers Specialty Pharmacy, Mail Service Pharmacy and Retail 90-Day.

Custom Design Benefits and Kroger Prescription Plans services are available nationwide, but both organizations are proud to be Cincinnati’s "hometown" team for managing healthcare costs.
Compliance Corner

Your Custom Design Benefits team monitors many available sources of information to keep you up-to-date and compliant with legislation affecting your employee benefits. Here are a few important compliance-related items.

Emily Cole, Director of Account Management

Transitional Reinsurance Program (TRP)

The Affordable Care Act (ACA) requires all self-funded group health plans to pay a temporary per capita transitional reinsurance fee from 2014-2016.

FAQs about the Transitional Reinsurance Program (TRP)

What is the Transitional Reinsurance Program?
TRP fees are temporary (from 2014-2016) and the fees are intended to be distributed to health insurance issuers in the individual market that provide coverage for those with high medical costs.

What criteria are used to calculate the TRP fee?
Similar to the PCORI fee, the TRP fee is based on the number of plan enrollees.

Custom Design Benefits currently provides each client with their monthly PCORI number of plan enrollees utilizing the "Snapshot" method. CDB recommends that clients use the PCORI number to calculate their Transitional Reinsurance Program fee.

NOTE: in addition to the "Snapshot" method, clients with more than 100 employees may opt to use the number included on their Form 5500 to calculate their Transitional Reinsurance Program fee.

How much is the TRP fee?
2014: $63 per enrollee per year
2015: $44 per enrollee per year
2016: $33 per enrollee per year

Is the TRP fee based on Calendar Year or Plan Year?
The TRP fee assessment is based on calendar year versus the PCORI fee, which is based on Plan year.

Key TRP Due Dates & Action Items

November 14, 2014: Membership counts due to the Department of Health and Human Services (HHS).

December 15, 2014: The latest date the HHS will invoice health plans.

January 15, 2015: Deadline for the first contribution or combined collection. (Employer Groups will have the option to pay the first $52.50 per enrollee or the full $63 per enrollee).

November 15, 2015: Deadline for second contribution of $10.50 per enrollee.

NOTE: ERISA (self-funded) plans are permitted to make TRP payments as a plan expense and are therefore tax deductible.

Health Plan Identifier Number

To meet federal requirements, all health plans will need to obtain a national health plan identifier number (HPID). An HPID is an all-numeric, 10-digit identifier that will be used as the plan’s unique identifier for all HIPAA-covered transactions.

Large groups (defined as groups with more than $5 million in annual claims) must obtain an HFID by November 5, 2014. Small health plans have until November 5, 2015 to obtain an HPID.

Current regulations state that all health plans will be required to utilize the HPID in standard transactions beginning November 7, 2016.

Self-funded plans will need to register on the online Enterprise Portal at CMS.gov and set up a health insurance oversight system (HIOS) account.

Once the account is in place, you can apply for your plan identification number(s). continued on page 4
New ACA Taxes Increase Premiums
Taxes on Fully Insured Plans Greater than Self-Funded Plans

In a recent article posted on American Action Forum, Robert Book, a health economist and Senior Research Director at Health Systems Innovation Network, provided the most current list of taxes Americans will be paying through their insurance premiums resulting from the Affordable Care Act (ACA). A significant rise in premiums will occur in 2014.

- **Exchange Taxes:** People who enrolled on the exchanges will face seven new taxes in 2014 that on average total $354 per person annually.

- **Fully Insured Health Plan Taxes:** Charges will be $196 this year.

- **Self-Funded Health Plan Taxes:** Charges will be a total of $94.

See below for a list of all of the ACA’s new taxes for 2014 through 2016.

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* Dollar amounts are on a per-person basis; for family coverage simply multiply by the number of covered family members.
New FSA Carryover Considerations

If your plan chose the Carryover Option for Flexible Spending Accounts* (FSA) funds in 2013, here is some important information to consider.

On March 28, 2014, the IRS released a memorandum clarifying that a member is disqualified from making contributions to a Health Savings Account (HSA) for the entire year solely as a result of carryover of unused amounts in an FSA account from the previous plan year, even if the FSA no longer has available funds.

This leaves two options for members with FSA dollars eligible for carryover who want to begin contributing to an HSA:

Option #1
A participant may decline or waive carryover for the following year; or

Option #2
A participant may enroll in a cafeteria plan that offers both a general purpose health FSA and an HSA-compatible health FSA.

The carryover of funds, even though earned and saved from a previous year, still means that the member owns an FSA account in that new plan year even if they are not actively contributing during the new plan year. This is important for members who wish to stop contributing to an FSA and begin contributing to an HSA.

More about HSA-Compatible FSAs

An HSA-compatible health FSA allows dollars to be spent only on dental or vision care services not covered by the participant's health plan.

If your plan options for the new year include a High Deductible Health Plan with the option to open a Health Savings Account, and you currently have a general purpose FSA, make sure the carryover option of an HSA-compatible health FSA is available.

Remember: the IRS does not allow members to contribute to HSA accounts if they currently have an FSA—this includes their spouse as well!
Custom Design Benefits employees and their families recently participated in local events that benefit our community. And in the months ahead, other events are scheduled.

"As a local employer, we believe that it is important to support the communities in which we live and work," said Steve Chapel, CEO of Custom Design Benefits. "Many of these events have an additional benefit. Each one provides the opportunity for another healthy activity to be added to our Wellness Program."

In spite of a cold and rainy day, Custom Design Benefits employees plus family members and friends joined more than 700 other walkers that participated in the inaugural St. Vincent de Paul 5K Run/Walk. Custom Design Benefits was a Bronze Sponsor of this event.

All 5K proceeds will support St. Vincent de Paul's programs and mission of bringing hope to the front line of poverty by providing innovative, practical emergency assistance throughout Greater Cincinnati and Northern Kentucky.

The Custom Design Benefits team that participated in the Cystic Fibrosis “Great Strides” event included fourteen CDB employees plus family, friends and some CDB clients. Taking place on Cincinnati's West Side at the College of Mount Saint Joseph, “Great Strides” raises awareness and support for people living with cystic fibrosis and their families.

Custom Design Benefits was a T-Shirt Sponsor for this event.

Custom Design Benefits employees volunteered at the "Strike Out Hunger" event at Great American Ball Park. Benefits St. Vincent de Paul, “Strike Out Hunger” collected thousands of pounds of canned goods that will help feed more than 100,000 people.
Custom Design Benefits Welcomes New Clients

Nisbet Brower is the latest employer to take advantage of TrueCost, our reference-based pricing healthcare cost containment solution.

For over 135 years, Nisbet Brower, one of the largest locally owned building product suppliers in the Tri-State area, has strived to be the complete one-stop resource for building and remodeling professionals. Nisbet Brower remains a family-owned business with old-fashioned values toward quality service.

We are looking forward to serving Nisbet Brower's employees and their family members.

**In addition to Nisbet Brower, we welcome these new clients:**

Chief Supermarkets, a chain of supermarkets with locations throughout Northwest and West Central Ohio.

NorthKey Community Care, a provider of care for those needing mental health, substance use disorder, and intellectual disability services. NorthKey has locations throughout Northern Kentucky.

Located in Brookville, Indiana, Jim True Ford is a full-service dealership dedicated to helping customers with their automotive needs.

Riverfront Steel has been serving manufacturers, builders and the transportation industry with a full range of metal products and value-added services since 1985.

Cincinnati Sub-Zero (CSZ) is a leading provider of temperature management equipment, serving medical and industrial markets worldwide.

Technology Alert

Because we are concerned about maintaining our members’ privacy, Custom Design Benefits currently encrypts emails that might contain sensitive or private information. The current email process we use involves a secure Cisco encryption envelope delivery. In order for individuals receiving these “secure” emails to open them, they must take a few extra steps such as first entering a user name and password.

Starting August 22, 2014, Custom Design Benefits will move to a new delivery method for secure emails called TLS that allows our members to bypass the Cisco encryption envelope delivery.

**What is TLS?**
TLS (Transport Layer Security) is a method to encrypt confidential data sent over an insecure network such as the Internet. Its use on email servers and some email applications such as AOL and Gmail has been growing over the past ten years.

**What is the advantage of using TLS?**
Mail servers enabled with TLS will allow for a more direct and secure delivery of email. This will allow members that receive email from Custom Design Benefits to bypass the Cisco encryption envelope delivery.

**How can my company enable TLS?**
TLS is not typically a default setup for internal mail servers. However, your IT Department can enable TLS.

Please note that Custom Design Benefits will continue to deliver secure email using the current Cisco Envelope option if your mail server does not have, or is not set up to use, the TLS option.
NEW: My Pathway to Health
Now Links to FitBit

CUSTOM WELLNESS members that use a FitBit device can now import their data directly into their My Pathway to Health trackers. Syncing their FitBit device provides a more complete picture of their activities and enhances our health coaching abilities as well.

Initially, members will be able to sync their physical activities and food journals. More features, such as the number of steps per day, will be added in the future.

Here are some simple steps to get started.

2) Click on “My Fitness Applications”
3) Click on the FitBit logo
4) Enter the FitBit User Name and Password and click “Allow”

Once the FitBit has been linked to a My Pathway to Health account, members may import their FitBit data by clicking on “My Fitness Applications.” There are options to sync data from a specific date or historical data from the past 150 days.

Coming soon . . . the next fitness device due to be announced is Jawbone.