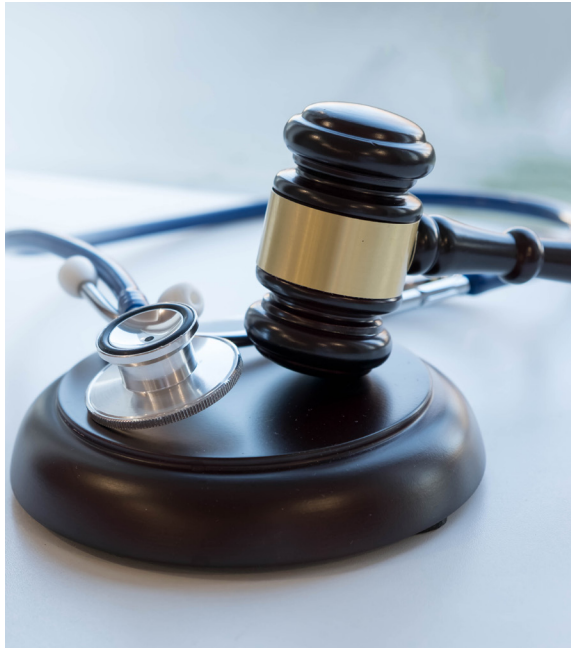


# INSURICA EMPLOYEE BENEFITS INSIGHTS

Keeping you ahead of the risks and challenges unique to your industry.

Sept. 2021



## 12 FEDERAL LAWS MOST EMPLOYEE HEALTH PLANS MUST COMPLY WITH

*The following is a list of federal laws that employers must follow, in addition to the Affordable Care Act, in most cases, regardless of their size.*

Most of these laws require notices and disclosures. Please consult the specific regulations for more information:

**The Consolidated Omnibus Budget Reconciliation Act (COBRA)** may allow an employee to temporarily keep health coverage after their employment ends, they lose coverage as a dependent of the covered employee, or another qualifying event. If the employee elects COBRA coverage, they will pay 100% of the premiums, including the share the employer used to pay, plus a small administrative fee.

**The Employment Retirement Income Security Act (ERISA)** sets minimum standards for most voluntarily established retirement and health plans in private industry to provide protection for individuals in these plans.

ERISA requires plans to provide participants with plan information, including important information about plan features and funding; provides fiduciary responsibilities for those who manage and control plan assets; requires plans to establish a grievance and appeals process for participants to get benefits from their plans; and gives participants the right to sue for benefits and breaches of fiduciary duty.

**The Family and Medical Leave Act (FMLA)** applies to private-sector employers with 50 or more employees in 20 or more workweeks in the current or preceding calendar year, as well as to public agencies and public and private elementary and secondary schools.

Eligible employees are entitled to job-protected leave for certain family and medical reasons. An employer must maintain group health coverage during the FMLA leave at the level and under the conditions that coverage would have been provided if the employee had not taken leave.

**Genetic Information Nondiscrimination Act (GINA)** prohibits health plans and health insurance issuers from discriminating based on genetic information. GINA generally prohibits group health plans and health insurance issuers from:

- Adjusting group premium or contribution amounts based on genetic information.
- Requesting or requiring an individual or an individual's family members to undergo a genetic test; and

“ The following is a list of federal laws that employers must follow, in addition to the Affordable Care Act, in most cases, regardless of their size.

### WHAT'S INSIDE

- 6 Ways to Help Deal With Labor Shortages
- Should Your Business Be Looking Into Vision Insurance?
- Paid Leave Expands During Pandemic, But Employees Fear Repercussions

*continued pg. 2*

“ The MHPAEA applies to group health plans offering mental health and substance use disorder benefits.



continued from pg. 1

- Collecting genetic information, either for underwriting purposes or prior to or in connection with enrollment.

**Health Insurance Portability and Accountability Act (HIPPA)** portability rules that apply to group health plans and health insurance issuers that allow a covered person to maintain certain benefits when switching employers or leaving the workforce. Certain benefits are not subject to the portability requirements, such as coverage for accidents, disability, liability, and workers' compensation and limited-scope benefits (for example, limited-scope dental and vision benefits).

**HIPPA Privacy and Security** applies to health plans, health care clearinghouses, and health care providers that transmit health information electronically (covered entities) unless an exception exists. The rules also apply to business associates (service providers to covered entities) that use protected health information (PHI). A self-funded health plan with fewer than 50 participants that is administered by the employer that established and maintains the plan is exempt.

**Children's Health Insurance Program Reauthorization Act (CHIPRA)** If an employer's group health plan covers residents in a state that provides a premium subsidy to low-income children and their families, the employer must send an annual notice about the available assistance to all employees residing in the state.

**Medicare Part D Disclosures** Employer-sponsored health plans offering prescription drug coverage to individuals who are eligible for coverage under Medicare Part D must comply with requirements on disclosure of creditable coverage.

**The Mental Health Parity and Addiction Equity Act (MHPAEA)** imposes parity requirements on group health plans that provide benefits for mental health or substance use disorder benefits. For example, plans must offer the same access to care and patient costs for mental health and substance use disorder benefits as those that apply to general medical or surgical benefits.

The MHPAEA applies to group health plans offering mental health and substance use disorder benefits. There are some exceptions.

**Michelle's Law** ensures that dependent students who take a medically necessary leave of absence do not lose health insurance coverage. Michelle's Law applies to employer-sponsored group health plans that condition dependent eligibility on student status. With the inception of the ACA, this law has limited applicability.

**The Newborns' and Mothers' Health Protection Act (NMHPA)** applies to group health plans that provide maternity or newborn infant coverage. Under the NMHPA, group health plans may not restrict mothers' and newborns' benefits for hospital stays to less than 48 hours following a vaginal delivery and 96 hours following a delivery by cesarean section.

**The Women's Health and Cancer Rights Act (WHCRA)** applies minimum requirements to group health plans that provide coverage for mastectomy benefits and certain post-mastectomy benefits, including reconstructive surgery.

If you need help understanding, complying, or getting helpful information about these laws, please contact us.

Find a team member near you at [INSURICA.com/our-team](https://www.insurica.com/our-team) today.

“ ...now that businesses want to return to normal levels of operation, how can they attract employees and overcome this labor shortage?”



## 6 WAYS TO HELP DEAL WITH LABOR SHORTAGES

*As the economy recovers from the pandemic there are more jobs than workers.*

At least more jobs than workers willing to take the jobs that are available. In fact, there are 3.5 million fewer people in the workforce now relative to February 2020, according to the Bureau of Labor Statistics.

There are several reasons for this. The switch to remote work enabled many people to relocate to less populated areas, resulting in fewer workers where many of the jobs are now. Many have also decided to go back to school or train for a new career.

A great number of hourly employees, especially restaurant workers and people employed in small businesses that were forced to shut down due to government mandates or travel restrictions, have found jobs in other sectors. Some even quit the workforce entirely to become stay-at-home parents, or care for sick or elderly relatives. Many just stayed home to take advantage of extended government unemployment compensation checks.

Also, some people don't feel safe going back to work, at least not enough that the wages they will receive will offset the risk. They may also be waiting to go back to their old jobs even though the pandemic made businesses rethink their business plans and eliminate many jobs.

But now that businesses want to return to normal levels of operation, how can they attract employees and overcome this labor shortage?

Here are six things employers can do to make it easier to find new employees:

### 1. INCREASE PAY TO BE MORE COMPETITIVE

The simplest solution is the obvious one. Increase wages. Look at what other businesses in your area or sector are paying and get competitive. Currently, restaurants are confronting this dilemma a lot.

Enhanced federal unemployment benefits have made the problem especially acute. But this is also a wake-up call for employers to pay employees a living wage. Some states have a minimum wage of \$7.25, which is hard for most people to live on.

On the other hand, it's difficult to raise wages when profits are tight in the first place. Some solutions to consider include:

- Cutting costs — whether it's supplies, services, or advertising,
- Raising prices, adjusting operating hours (if you're struggling to find workers you may need to do this anyway),

- Streamlining services,
- Finding new revenue streams.

If the pandemic hasn't already forced you into it, maybe it's time to rethink some aspects of your business.

### 2. EXPAND YOUR BENEFITS PACKAGE.

Wages are important but so are benefits. According to a recent study by Willis Tower, 78 percent of employees say they are more likely to stay with an employer because of their benefits program.

Paid time off, wellness programs, Employee Assistance Programs and a 401(k) are important benefits, but the benefit valued most by employees is health insurance.

### 3. OFFER A SAFE WORKPLACE.

Many employers now require employees to be vaccinated. This is part of making safety a primary factor in the work environment and should help attract the kinds of employees you want.

### 4. IF POSSIBLE, OFFER A CAREER, NOT JUST A JOB.

Not every job can lead to a career but offering growth opportunities can make employment much more appealing. As someone on the blog "When I Work" posted recently, "There is always something you can do to show your employees that you don't think of them as cogs in the wheel. Even if it's as simple as letting them rotate through tasks and duties so they get a feel for different types of work, it helps break up the monotony of what otherwise might seem like a 'dead end' job."

### 5. OFFER FLEXIBLE WORK HOURS.

During the pandemic, people focused more on work-life balance. For instance, many people were able to work from home. Stay tuned into these concerns and remain flexible where possible with work environments and hours.

### 6. MAKE IT EASIER TO GET THE JOB.

Look at your application process and make it as uncomplicated as possible, helping candidates clearly understand the job's duties and pay. Consider dropping college degree requirements or create internship or apprenticeship programs to attract a wider pool of employees.



# SHOULD YOUR BUSINESS BE LOOKING INTO VISION INSURANCE?

*Vision disorders cost U.S. businesses an estimated \$8 billion annual in lost productivity.*

How much do they cost your company? With costs starting at as little as \$5 per month per employee, vision benefits pay big dividends in improved morale, health, and productivity.

Employers can provide vision benefits through **group vision insurance** or a **discount vision plan**.

**Group vision insurance** works like other employer-provided qualified benefits. Most plans cover exams, glasses, contact lenses, and more. You can also opt to include dependent coverage as well as coverage for popular vision-correction services, such as LASIK.

**A discount vision plan** is not insurance but gives members discounts on eye care services from participating providers. Members (or their employers) pay an annual membership fee and receive a card that entitles them to discounts.

**No-cost benefits with voluntary plans.** You can structure your vision benefits to be either employer-paid or voluntary, in which participating employees pay the entire cost. A voluntary plan gives your employees the advantage of group pricing and convenient payroll deduction payments, at absolutely no cost to your firm.

An estimated 11 million Americans have uncorrected vision problems, ranging from refractive errors (near- or far-sightedness) to sight-threatening diseases such as glaucoma or age-related macular degeneration. Vision insurance encourages people to take care of their vision and health. Regular eye examinations can also identify other health conditions, such as diabetes, that can affect the eyes even before an individual experiences noticeable symptoms.

Vision insurance plans have a yearly deductible for each enrolled member, and a co-payment each time a member



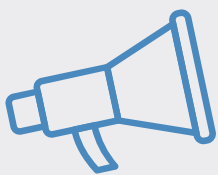
accesses a service. Vision insurance generally covers the following basic services:

- Annual eye examinations, including dilation
- Eyeglass frames
- Eyeglass lenses
- Contact lenses
- LASIK and PRK vision correction at discounted rates.

For those who don't have employer-provided medical benefits, many individual medical plans offer vision coverage as an add-on. You can also buy a separate individual vision insurance policy.

## DISCOUNT VISION PLANS

A discount vision plan gives members access to discounts on eyecare services at fixed discounted rates after an annual premium or membership fee. The participant pays the total bill, less the applicable discount, at the time of service. Members must use eyecare providers who agree to discount fees. Unlike insurance plans, discount plans do not contract with providers, who may decline to accept the card at any time. For those who do not have vision insurance, however, a discount vision plan can offer valuable savings.



## THIS JUST IN...

A report from Fitch Ratings indicates that the health implications of COVID-19 will continue to drive elevated health system utilization long after the acute phase of the pandemic has concluded, likely leading to increasing costs and higher insurance premiums for decades.

These costs will emerge from the necessary addition to mostly outpatient capacity that is expected to come online as needed to deal with ongoing treatment of chronic conditions related to potentially permanent damage caused by COVID-19.

The magnitude of these effects is currently inestimable, says Fitch. They will include health issues related to deferred diagnostic testing and treatment during the pandemic, which are likely to develop over time.

In the near term, health insurers have been able to incorporate expanding COVID-19 claims data, estimates of infection trends, and pent-up demand for previously deferred care into 2021 premium rates. However, for healthcare providers, the expansion of the healthcare system over the long term will likely exacerbate traditional pressures on operating performance

such as tight labor and wage markets for experienced staff, rising pharmaceutical expenses, and supply costs in general.

Although the U.S. has glimpsed signs of the pandemic's potential end over the past couple of months, the ultimate story of the pandemic is still being told. The infection rate is once again trending up, presumably due to a combination of factors including a dramatic reduction in demand for new vaccinations, the rapid spread of the more infectious Delta variant in the U.S., as well as the reduction in mitigation measures.



## PAID LEAVE EXPANDS DURING PANDEMIC, BUT EMPLOYEES FEAR REPERCUSSIONS

During the pandemic, many employees expressed the need for paid time off (PTO) — and employers responded, according to the Hartford’s latest Future of Benefits Study 2021. The study showed that 75% of employers expanded their paid leave and PTO programs beyond state or federal requirements. The most common benefits added last year were paid medical leave and sick time:

- Medical leave: 46%
- Sick time: 46%
- Family leave: 39%
- Parental leave: 30%
- PTO/vacation time: 30%

However, the data also showed that some employees believe there is a stigma associated

with taking a leave of absence. In fact, 31% of employees in the survey said they are fearful of workplace repercussions for taking leave, such as getting fired, laid off, skipped over for a promotion/raise or reduced hours. And 29% believed there is a negative perception associated with taking leave.

According to the Hartford, “The need for paid time off for medical leave or caregiving is not going to diminish once the pandemic is over – and neither is the complexity of leave management and compliance for employers. As the leave landscape continues to rapidly change, employers face a variety of challenges in administering the many types of leaves to fully support their workers.”

## BUILDING BETTER EMPLOYEE BENEFITS PLANS

INSURICA can help you build a better Employee Benefits plan.  
Find a team member near you at [INSURICA.com/our-team](https://www.insurica.com/our-team) today.

INSURICA<sup>®</sup>  
EMPLOYEE BENEFITS

[INSURICA.com/solutions/employeebenefits](https://www.insurica.com/solutions/employeebenefits)

Copyright © 2021 Smarts Publishing

\*Please be advised that any and all information, comments, analysis, and/or recommendations set forth above relative to the possible impact of COVID-19 on potential insurance coverage or other policy implications are intended solely for informational purposes and should not be relied upon as legal advice. As an insurance broker, we have no authority to make coverage decisions as that ability rests solely with the issuing carrier. Therefore, all claims should be submitted to the carrier for evaluation. The positions expressed herein are opinions only and are not to be construed as any form of guarantee or warranty. Finally, given the extremely dynamic and rapidly evolving COVID-19 situation, comments above do not take into account any applicable pending or future legislation introduced with the intent to override, alter or amend current policy language. For your protection, any request to change existing coverage or to bind new coverage must be confirmed by this office.

@INSURICA [in](https://www.linkedin.com/company/insurica) [t](https://twitter.com/insurica) [f](https://www.facebook.com/insurica) [i](https://www.instagram.com/insurica)