

Employee Benefits Report

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Employee Benefit Planning

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Technology's Growing Importance in Providing Quality Health Care

Whenever you sign up for a new group health care benefit plan for your company or receive communications from your insurance carrier about new benefits, there's a good chance the insurer is using technology to provide you with better service.

Insurers previously used technology to manage only the claims process and settle payments with providers. Today, technology can do so much more. Here are just a few ways insurers and the health care industry are using technology to save members money while improving the level of health care:

Artificial Intelligence

According to research advisory firm ABI Research, artificial

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Eye Strain on the Rise

Eye strain. Dry eyes. Headaches. Blurred vision. Twitching or red eyes. It all adds up to Computer Vision Syndrome (CVS). According to the Vision Council, 59 percent of people who routinely use computers and digital devices for two or more hours daily experience CVS.

Research by the University of Alabama Birmingham School of Optometry shows that vision problems can affect productivity and reduce job performance by 20 percent. If your office depends on daily computer use, here are things to do.

Group vision insurance makes it easier for employees

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intelligence (AI) applications will save the global health care sector an estimated \$52 billion by 2021. AI refers to software-driven systems that analyze data to make decisions and take actions. Some ways AI may affect health care this year:

- ✦ **Virtual Medicine:** Individuals who have access to telemedicine can talk to a health care provider by phone or through a personal computer any time of day or night to discuss minor health issues such as a cold, flu, allergy or sprained ankle. This is particularly helpful to those who live in rural communities and who have limited access to health care providers. AI-enabled tools also allow providers to monitor their patients at home or in the clinic.
- ✦ **Second Opinions:** Clinicians can use algorithms to accurately review data sets to screen for pathologies. For instance, a study presented at the European Respiratory Society International Congress found that AI can be an invaluable aid to help pulmonologists interpret respiratory symptoms accurately and make a correct diagnosis.
- ✦ **Predictive Analytics:** AI can combine data from a variety of sources, such as a patient's genetic test and their electronic health record to provide timely alerts and suggestions to a care team. As the technology develops and becomes more widespread, AI could help diagnose strokes, eye disease, heart disease, skin cancer and other conditions.
- ✦ **Data Analytics:** Providers can draw im-

portant insights and information to discover which practices are most effective to cut costs and improve the health of the patients served by health care institutions. Data analytics also can help develop insights on the systemic waste of resources; track individual practitioner performance; track the health of populations and identify people at risk for chronic diseases.

Customer Service

Technology can address consumer frustrations by providing easy access to information about benefits and member claims, and schedule health care appointments in a timely manner.

Digital assistants or chatbots are used on website landing pages to help answer product questions and are very popular, according to a Price Waterhouse Cooper analysis. Many physicians encourage patients to use their online portal, where they can view lab results and send messages directly to their provider with questions between appointments.

Nanomedicine

Nanomedicine is the medical application of nanotechnology to diagnose, treat and prevent various diseases by delivering medicine precisely to the place it's needed and in a manner that limits unwanted side effects. For instance, instead of treating cancer with chemotherapy that affects the entire body, nanomedicine delivers the chemotherapy directly to the tumor while minimizing exposure to the rest of the patient's body.

to get comprehensive annual eye exams, which can detect serious eye and health conditions such as diabetes, high blood pressure, high cholesterol, glaucoma and cataracts. Your broker can help find a plan that's right for your employees.

Fluorescent or LED light bulbs can cause visual fatigue, so position workspaces so they're not in front of or behind a window, but at a 90-degree angle to reduce glare.

Encourage employees to follow the 20/20/20 rule and take a vision break every 20 minutes by looking at an object at least 20 feet away for at least 20 seconds.

Invest in LCD monitors and screen protectors to reduce glare.

Robot-Assisted Surgery

Surgeons now have access to tools featuring cameras and mechanical arms, which give them a high-definition view of the surgical site. According to the Mayo Clinic, these tools increase precision, reduce the chances of infections and are minimally invasive, which can result in smaller scars.

3D Printing

There are four core uses of 3D printing in the medical field. 3D printing is used to create:

- ✦ tissues and organoids
- ✦ surgical tools
- ✦ patient-specific surgical models
- ✦ custom-made prosthetics

One of the reasons 3D printing is becoming popular is the customizable aspect of the technology. 3D printing can even be used to produce realistic skin for burn victims.

Virtual Reality

Many health care institutions are already using virtual reality (VR) to assist in a variety of situations because it can provide a multi-sensory, immersive experience. VR currently is being used in the following settings:

- ✦ Training health care workers
- ✦ Training surgeons in a realistic and low-risk simulated environment
- ✦ Offering therapy and rehabilitation for acute pain and anxiety disorders

For example, VR is being used to help stroke patients practice and relearn daily activities.

The VR health care services market is expected to grow from \$8.9 million in 2017 to \$285 million in 2022.



New Rule Offers New HRA Options

Business owners now have a way to help their employees get individual health care coverage.

The U.S. Departments of Health and Human Services; Labor; and Treasury released a new rule in June that allows employers to contribute to Individual Coverage Health Reimbursement Arrangements (ICHRA) as an alternative to traditional group health plan coverage.

An ICHRA is a way to provide employees with tax-preferred funds to pay for personal health care expenses, including the cost of health insurance coverage purchased in the individual market, as well as Medicare. Money employers contribute to these tax-free accounts also is tax-deductible.

The rule will take effect January 2020 and is available to businesses of all sizes. Allowances within the same class must be the same size but employers can make distinctions based on the employee's age or family size. Employer annual contributions for ICHRAs are not limited.

Businesses can offer the individual HRA to all types of employees, including full-time; part-time; seasonal; salaried; hourly; temporary employees working for a staffing firm; employees covered un-



der a collective bargaining agreement; employees in a waiting period; foreign employees who work abroad; employees working in different locations; and a combination of two or more of the above. In order for employees to be eligible for ICHRA reimbursements, they must have coverage under an individual health insurance policy.

The rule also allows employers to set up an Excepted-Benefit HRA (EBHRA), which allows reimbursement of expenses other than premiums (e.g., copays, deductibles, or other expenses not covered by the primary plan) and COBRA, dental and vision premiums. Accounts can be funded up to \$1,800 per

year and employees are allowed to participate even if they decline enrollment in the company's traditional group health plan.

There are also a myriad of other rules concerning HRAs so check with your advisor for full details.

History

Standard HRAs — offered in addition to standard health coverage plans — are used to reimburse employees for qualified medical expenses and, in some cases, group health insurance premiums. Employers can claim a tax deduction for the reimbursements and reimbursement dollars received by employees generally are tax free.

In 2013, the Internal Revenue Service (IRS) issued a notice that limited employers' ability to offer HRAs and prevented employees from using the HRAs to pay for individual health coverage. In 2016, Congress created the qualified small employer HRA which allowed small employers with fewer than 50 employees to offer an HRA integrated with individual health insurance — although there were many restrictions.

The Future

Some observers have concerns that employees, who are used to having their employer choose their

health care coverage, will not be happy about choosing their own insurance. Others worry that only small employers will offer this option.

One of the reasons the Trump administration is interested in expanding the use of HRAs is that as health costs and insurance premiums have risen, employers have had to shift more of the costs to employees through higher premiums or larger deductibles. High insurance costs have particularly been hard on small employers who have 100 or fewer employees because they have less bargaining power. Proponents hope that the rule will allow employees to shop for coverage that is a better fit for them and their families, instead of one-size-fits-all group plans. The White House believes that more than 11 million workers may benefit from the rule change, including about 800,000 who would otherwise go uninsured.

Experts believe small employers will like this new option because an HRA is a fixed cost from year to year. It's also an economical way for businesses that previously have not offered coverage to now provide coverage.

Again, there are a lot of rules and conditions pertinent to these new HRA options, so be sure to contact your broker. ■

Legal Plan Representation: Peace of Mind at an Affordable Cost

Your employees face legal issues far more often than you might think, and a group legal plan could relieve employees' financial and legal concerns while increasing loyalty to your company.

Fifty-four percent of employees who were surveyed for MetLife's 15th Annual U.S. Employee Benefit Trends Study said that they have been involved in a legal matter in the past year. Of those surveyed, 82 percent had been involved in a legal issue in the last five years. While many people think they will only need legal assistance for criminal matters, there are dozens of reasons an attorney can come in handy, including:

- * Adoption
- * Buying a house
- * Serving as a caregiver
- * Victim of identity theft
- * Estate planning
- * Need a will or trust
- * Tax audit
- * Debt collection
- * Facing a foreclosure because of financial difficulties
- * Child custody issue
- * Unpaid traffic tickets

An attorney can help your employees with all of these situations, but assistance isn't cheap. According to the 2016 National Law Journal and ALM Legal Intelligence Survey of Law Firm

Economics, the average hourly rate of an experienced attorney is \$338 an hour.

A group legal plan is a voluntary benefit that allows employees to access attorneys for help with personal legal matters that are covered under the plan — all without having to pay significant out-of-pocket costs. Extremely popular in Europe, legal plans were first offered in the late 1970s and became mainstream in the



1990s. As with many voluntary benefits, offering a group legal plan costs the employer little or nothing to set up and there is minimal administrative work.

Employees pay for the plan with a low monthly payroll deduction of about \$20 or less a month. Employees then can access attorneys as if they were on a retainer and meet with them in person, over the phone or by email. Attorneys also can make court appearances on behalf of the employee in cases such as traffic tickets or debt matters or they

can attend a tax audit or juvenile court hearing.

One of the most important benefits of a legal plan is that the attorneys have been vetted — which makes it easier for employees to find a good attorney. Although it varies from plan to plan, most attorneys in a plan must have several years law experience, have graduated from an accredited law school and hold a valid state law license. With most plans employees also have the option to use an attorney outside of the network and be reim-

bursed for some of the cost.

In addition, many people are intimidated by the thought of contacting a lawyer. Having easy access to an attorney who specializes in their particular problem makes it more likely they will promptly resolve their legal issues.

The biggest benefit to you, as an employer, is not only will you be able to offer a more robust benefit package, but your employees will

have one less stress that they bring to the workplace. When employees are distracted by personal problems, they can affect the workplace by wasting time; or through poor work performance; increased health care costs; or absenteeism or presenteeism. A voluntary legal benefits plan helps employees who need legal representation and provides peace of mind for those who might need assistance in the future.

Please contact us for more information.



The Confusing World of Cannabis Regulation and Insurance

Although 33 states and the District of Columbia passed laws legalizing marijuana in some form, don't assume your group health insurance covers the use of medical marijuana (cannabis) or CBD oil. CBD oil is a chemical compound of cannabis that does not have the same psychoactive properties as marijuana.

Medical marijuana often is used to treat conditions such as epilepsy, and CBD oil is used to treat conditions such as chronic pain or anxiety. The reason these substances may not be covered is because federal and state laws conflict, leaving insurance carriers wondering what they can legally cover.

Cannabis refers to a group of three plants with psychoactive properties. The federal government's Controlled Substances Act (CSA) classifies cannabis (marijuana and CBD oil) as an illegal Schedule I drug that has no accepted medical use (the same as heroin and LSD). Recently, CBD medicines that have been FDA approved and have no more than 0.1 percent THC content have been moved to Schedule 5 drug status.

The 2018 Farm Bill removed hemp from the list of Schedule 1 controlled substances, so the U.S. Drug Enforcement Administration (DEA) no longer considers hemp-derived cannabinoid (CBD) a controlled substance subject to CSA regulations.



The Federal Drug Administration has not approved cannabis, yet it has approved three CBD medicines for the treatment of epilepsy; though not for any other conditions.

On the state level, 11 states have adopted laws legalizing marijuana for recreational use. Vermont's law allows for adults age 21 and older to grow and possess small amounts of cannabis, but it does not permit the sale of nonmedical cannabis. A number of states have decriminalized the possession of small amounts of marijuana, while other states allow for limited use of medical marijuana under certain circumstances. Louisiana, West Virginia and a few other states allow only cannabis-infused products, such as oils or pills.

For now, neither medical marijuana nor CBD oil are covered by health insurance. This may change if federal and state laws fall into sync someday. ■

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