

Benefits

BUZZ

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Association Health Plans Expansion

The Department of Labor (DOL) recently released a final rule that gives small businesses more freedom to join as a single group to purchase health insurance in the large group market or to self-insure. These arrangements are called association health plans (AHPs).

By forming AHPs, small employers can avoid certain Affordable Care Act (ACA) reforms that apply to the small group market. According to the DOL, this will provide small employers with more affordable health insurance options.

However, in exchange for lower premiums, AHPs may cover fewer benefits. Most AHPs will not be subject to the ACA's essential health benefits reform, which requires that small group plans cover a core set of items and services, like mental health care and newborn care.

Employer Considerations

Small employers may want to consider banding together to form an AHP as a more affordable health insurance option. Employers should carefully review the AHP's benefit design to make sure it is appropriate for their workforce. Because AHPs are regulated at the federal and state level, the availability of these plans will also depend on a state's regulatory approach.

Eligibility

The final rule allows employers to form an AHP together that is a single ERISA plan if either of the following requirements is satisfied:

- The employers are in the same trade, industry, line of business or profession; or
- The employers have a principal place of business within a region that does not exceed boundaries of the same state or the same metropolitan area.

Speak with Loudoun Insurance Group LLC for more information.

DID YOU KNOW?

Amazon announced it will be purchasing the online pharmacy PillPack. The deal is expected to close before the end of the year.

With PillPack, an online pharmacy startup that earned more than \$100 million in revenue last year, Amazon is now able to enter the prescription market.

Other large mergers, like CVS-Aetna, indicate that industry giants are already trying to lower health care costs. Amazon's latest acquisition will likely pressure the industry to continue that trend.

Stay tuned for more developments as new details emerge in the coming months.

Critical HIPAA Compliance Gaps Exposed by HHS

Over the last couple of years, the Department of Health and Human Services (HHS) conducted "desk audits" of 166 covered entities and 41 business associates.

These audits focused on select HIPAA privacy, security and breach notification requirements. HHS has not released its official findings from the audits yet, but it has identified serious compliance gaps in the following areas:

- Security risk analysis
- Security risk management
- Right of access to protected health information (PHI)

Employers that sponsor group health plans should periodically review their compliance with HIPAA rules, including whether their security analysis and risk management for electronic PHI is up to date. Employers should also watch for more guidance from HHS on these compliance requirements.