

Information on Group Health Plans

This Employee Benefits Update provides information about new government reports that might be helpful to employers with group health plans.

1. Under Health Care Reform, the Secretary of Labor must provide Congress with an annual report with information about self-insured employee health plans and financial information about the employer plan sponsors. Employers can read the report which reviews details of the plan participation and funding. The Appendices include detailed information broken down by type of industry. The information generally is derived from the Form 5500 annual informational report filed by employee benefit plans. The report does not include information on some small health plans which are exempt from Form 5500 reporting.

Report to Congress: <http://www.dol.gov/ebsa/pdf/ACAReportToCongress032811.pdf>

Appendix A: <http://www.dol.gov/ebsa/pdf/ACA-ARC2011.pdf>

Appendix B: <http://www.dol.gov/ebsa/pdf/ACASelfFundedHealthPlansReport032811.pdf>

2. The United States General Accounting Office issued a report on Application and Coverage Denials of Private Health Insurance. According to the report summary, there was significant variability in rates of denials. "The data also indicated that coverage denials occurred for a variety of reasons, frequently for billing errors, such as duplicate claims or missing information on the claim, and eligibility issues, such as services being provided before coverage was initiated, and less often for judgments about the appropriateness of a service." You can find a summary and a link to the report at:

<http://www.gao.gov/products/GAO-11-268>.

3. Health-related costs are an important factor in the United States General Accounting Office report on State and Local Governments' Fiscal Outlook. For a summary and a link to the report:

<http://www.gao.gov/products/GAO-11-495SP>.

What should employers do?

- Employers may want to look over the data in the Department of Labor report and its Appendices for ideas on plan design and compliance. As a reminder, it is important to correctly file the Form 5500. In particular, the definitions of which individuals to count as "participants" can be difficult. Please contact me if I can be of assistance in helping with correct filing or review of Form 5500 and its schedules. (PP. 15-19 of Appendix B include a listing and discussion of Form 5500 compliance issues as identified by a consultant hired by the Department of Labor.)

- Employers may wish to review the GAO Coverage Denials report to become aware of issues relating to claims denials. Employers with group health plans should review claims and denials practices with their service providers or insurers. With Health Care Reform, some plans will need to make changes relating to claims and appeals.

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