



ALLIED
NATIONAL

BULLETIN



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2017

New Short-term Medical Plan Regulations Effective NOW

As of April 1, 2017, short-term medical plans have been limited to durations of three months or less.

The Departments of Labor, Health & Human Services and the Internal Revenue Service now prohibit an insurer from selling a short-term medical plan that lasts longer than three months. While we're hopeful this regulation will be reviewed and rescinded by the new administration in Washington, D.C., for now this is the new restriction facing all short-term medical plans.

If you've been to our sales website at tempmedsales.alliednational.com, you've seen that online purchases are now limited to three months or less. There's still an option to prepay or be billed monthly. Monthly billing is available at a 15% surcharge over the prepay option. The plan still offers a wide array of deductibles (from \$500 to \$10,000) to meet the cost needs of any client.

Short Term Medical PLUS is an excellent value for individual who are between jobs, waiting for their benefits to begin on a new job or are waiting for their Medicare benefits to begin.



Affordable Care Act Tax and Fees Update

Even though U.S. House of Representative Republicans withdrew their proposed legislation to repeal and replace the Affordable Care Act (ACA) in March, there are still some changes on the horizon for ACA taxes and fees.

Cadillac Tax

Implementation of the Cadillac tax on high-cost employer health benefit plans was delayed from 2013 to 2020.

The ACA imposes an annual 40% excise tax – or Cadillac tax – on health benefit plans with annual premiums that exceed \$10,800 for individuals and \$29,500 for families. The tax for each employee's coverage will be calculated by the employer and paid by the insurers.

Although originally slated to take effect in 2013, the federal government delayed implementation of the Cadillac tax until 2018. The 2016 federal budget further delayed implementation of this tax until 2020.

The 2016 federal budget bill also:

- Removed a provision prohibiting the Cadillac tax from being deducted as a business expense.
- Required a study to be conducted on the age and gender adjustment to the annual limit.

Health Insurance Providers Fee

Health insurers will not have to pay the insurance providers fee in 2017.

The ACA imposed an annual, nondeductible fee on the health insurance sector according to market share. The first fees were due Sept. 30, 2014. The 2016 federal budget suspended collection of the health insurance providers fee for 2017.

Although employers are not directly subject to the health insurance providers fee, many insurers have passed the cost of the fee on to the employers sponsoring the coverage. As a result, this moratorium in 2017 may result in significant savings for some employers on their health insurance rates.

Reinsurance Fee

The ACA's reinsurance fee has expired, although the 2016 fees will be paid in 2017.

The ACA imposed a fee on health insurance issuers and self-funded group health plans to support a transitional reinsurance program for the first three years of Exchange operation (2014-16) to help stabilize premiums for individual market coverage.



Door Opener for Prospective Self-Funded Groups

Are you confused about the ins and outs of self funding?

There's a new level of knowledge and vocabulary for you to successfully navigate the new level funding plans out there. The Allied National Guide to Self Funding is just the tool you need to learn and get in the door of new prospective groups. **Download this guide at www.alliednational.biz/3114.pdf.**

The guide will assist you in explaining to employers how self-funding plans work and why it would be a good fit for them. In addition, it will help you introduce them to Allied's Funding Advantage level-funding plans. Here are just few of the topics covered in this guide:

- What Makes Self-Funding Plans Work
- Enrollment and Underwriting Requirements
- Flow of Funds and Monthly Accounting
- Employer Stop-Loss Policy Information

With these topics you have enough information to successfully educate and enroll clients in our self-funded programs.

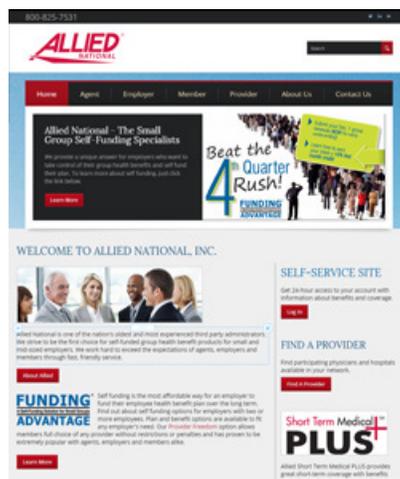
Allied strives to provide you with the resources you need to succeed. You can find additional resources at your finger tips by going to www.alliednational.com/agentedge.html.

You Have Easy Access to Your Clients' Funding Advantage Reports

Employers covered under a Funding Advantage plan for their employees have access to monthly and quarterly reports that provide important plan financial and medical usage information. This is the type of information that employers rarely see from a fully insured plan. Unfortunately, employers often don't take the time to review the reports and learn from them.

Fortunately, you have access to all of your clients' reports via your Self Service Site.

The next time you visit your client, arm yourself with information about their claim fund, expenses and stop-loss usage. Look at the medical utilization for the group and point out ways they can save money. For instance, if they have high prescription drug usage, you could suggest they talk to their employees about checking out generic drugs.



The more your clients understand how their Funding Advantage plan and self funding works, the better the chance they'll renew their plan.

Self Service Site

This information about your clients is available on the Allied Self Service Site. This allows you to see the status of all of your clients and see important info and reports about them.

The site also allows you to display several documents at once, such as your commission statements and contracts.

Access the site from our home page at www.alliednational.com. If you're a new user, click on the "Register as first time user" link and sign up.

If you have any questions or have any problems when you access the system, feel free to call Sales Support at 888-767-7133.