

Benefit Insights

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Health Care Reform Becomes Law

Gary Beckman and Steve Porter

In late March, President Barack Obama signed into law the Patient Protection and Affordable Care Act. This wide-ranging and complex legislation has generated a lot of questions. Little is known regarding its long-term implications and many of the details will not be clarified until regulations are issued which won't be anytime soon.

FCE is actively reviewing the new law, sorting through the details and monitoring the ongoing efforts to modify what has already been adopted. Most of the changes do not go into effect until 2014. However, certain low-impact requirements take effect for plan years beginning on or after September 23, 2010. These requirements apply to medical plans only even if they were in existence at the time of enactment, and are as follows:

1. Cover Dependent Children to Age 26 – An eligible “Dependent” has yet to be defined under the Act, and it’s presently unknown whether dependent children who have already reached the limiting age will be entitled to reenroll.
2. Lifetime Limits Prohibited – This new prohibition refers specifically to lifetime dollar limitations. The Act states that medical plans may make this change upon renewal. So, while the prohibition begins for plan years beginning on or after September 23, 2010, the actual implementation of this change may be later than this date, depending on the group’s scheduled renewal. FCE’s primary care plans do not have lifetime dollar maximums. Some of FCE’s major medical plans have lifetime dollar maximums; for those that do, FCE will make the necessary plan-design change upon renewal.
3. Restrictive Annual Limits Prohibited – The Department of Health and Human Services (“HHS”) will define “restrictive,” but has not done so yet.
4. Pre-Existing Condition Exclusions for Dependent Children Prohibited - The Act permits pre-existing condition exclusions for adults until 2014. The prohibition effective this year applies to dependent children only.
5. Rescission of Coverage Prohibited – The Act prohibits group health plans from rescinding coverage except in cases where the covered participant has acquired coverage through an act of fraud.

It appears that in-force plans enjoy advantages over plans adopted subsequent to enactment, and self-funded plans appear to enjoy advantages over fully insured plans with respect to plan costs.

FCE will implement design changes to ensure our plans comply with all aspects of the Act. We anticipate that the changes effective this year will have little actuarial impact. If you have any questions please contact Bill Chrsty, FCE’s compliance officer.



Integration of the ANSI 834 File

Jackie Dold
Executive Director, Plan Management

Recently FCE’s team of dedicated interface specialists has implemented the ANSI 834 file transmission protocol between plan sponsor/plan administrator and insurance carriers. With this latest completion the process of data sharing has been simplified and requires less handling by specialized personnel.

Although, FCE’s client’s have different benefit plan needs, they all share the same expectation for administrative services; simplified workflow at reduced costs. These expectations fall in line with the consumer driven demands which prompted the adoption of the Health Insurance Portability and Accountability Act (HIPAA) in 1996. This legislation required the Department of Health and Human Services to establish standards for the Electronic Data Interchange (EDI) processes related to health care for the purpose of reducing administrative costs and to simplify processes.

At that time, there were countless proprietary electronic data file formats in use across the country by health care providers, Third Party Administrators and insurance carriers. The American National Standards Institute (ANSI) subsequently designated a number of processes for transmitting and receiving data into standardized formats for health care functions such as payment of claims, participant

enrollment / disenrollment, provider and carrier payments and claim status reporting.

The objective of such standardization was to eliminate the use of the numerous proprietary file formats, as well as each entity having to employ personnel to perform the daunting task of managing the specific reporting demands. Of these formats, the ANSI 834 file was established to set the general rules for transmitting benefit enrollment and maintenance transactions from plan sponsor/administrator to insurance company.

There are two different types of 834 files. “Full” file transmissions may be submitted to insurance companies after open or re-enrollment events to report complete participant demographic and plan election data. Likewise, “update” files may be submitted at various frequencies to capture enrollment additions, terminations or changes occurring throughout the plan year.

These latest implementations of the ANSI 834 file transmissions were done to benefit carriers. As a result, excessive paperwork and error prone data entry have been eliminated. Client data is transferred more efficiently and processed more accurately on both sides. FCE is proud to know they continue to meet the expectations of its clients.

“The ANSI 834 file was established to set the general rules for transmitting benefit enrollment and maintenance transactions from plan sponsor / administrator to insurance company”.



Urgent Care Centers May Save You Time and Money

Diane Lapin
Vice President of Client Management
And Managed Care

The vast number of injuries and illnesses in America occur as acute, non-life threatening episodes in otherwise healthy people. Urgent care centers provide options for obtaining immediate care for these conditions without requiring an expensive and inappropriate visit to a hospital emergency department.

Additionally, if you’ve ever been in an emergency room, you know how long the wait can be.

Before you go to the emergency room, ask yourself if you could die or lose a limb due to your current medical situation. If the answer is clearly no, an urgent care center may be a great alternative to the ER. Essentially Hospital ERs should not be used to obtain routine medical care. Routine medical care is best provided

by a family or general practice physician by appointment.

Urgent care centers are ideal for situations requiring immediate medical attention that are not true medical emergencies. Urgent care centers offer a variety of medical services such as treating minor injuries, sore throats and coughs, skin rashes, sprains and strains, allergy symptoms, minor inflammations and infections.

“Urgent care centers are ideal for situations requiring immediate medical attention that are not true medical emergencies.”





Urgent Care Centers May Save You Time and Money

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They can be free standing or located in a strip mall or medical office building. Urgent care centers do not require an appointment (you can just walk in) and they often are open extended hours, including evenings and weekends. Many can provide x-rays and blood work, so that necessary testing can be provided at a single location.

If you are ill or hurt, it's not a life threatening emergency, and your doctor is not available, consider an urgent care center. To find out which urgent care centers are contracted with your PPO network, visit the "search for a provider" section of your network's web site or contact your PPO network using the toll free telephone number listed on the back of your FCE ID card.

US DOL Issues Proposed Rule to Implement Executive Order on Non-Displacement of SCA Covered Employees

Chris Porter
Director, Sales & Marketing

In January 2009, just after taking office, President Obama issued an Executive Order titled the "Nondisplacement of Qualified Workers Under Service Acts" which essentially requires federal service contractors that win a new contract to offer jobs to qualified employees of their predecessor prior to advertising employment opportunities.

In a union-friendly move that promises to significantly impact the government contractor community, the DOL issued a proposed rule (March 19, 2010) to implement the order, which

applies to federal service contracts (or subcontracts) of \$100,000 or more, provided the successor contractor performs work in the same location as its predecessor. The DOL has imposed May 18, 2010 as the deadline for submitting comments on this matter.

This Executive Order revives a similar order issued by the Clinton administration, except Obama's is more expansive. For example, while Clinton's order covered only building maintenance contracts, Obama's covers *all service* contracts (over \$100,000). Also, Obama's order eliminates the special exceptions granted

under Clinton's (e.g., military, postal service, NASA). All federal agencies will fall under this current order's authority.

FCE is closely monitoring the implementation of the order, and will ensure that its plan-design strategies take into account the greater continuity of contract personnel that will likely result. If you have any questions about Executive Order 13495 or its imminent implementation, please feel free to contact me at (800) 899-0306.



"...requires federal service contractors that win a new contract to offer jobs to qualified employees of their predecessor..."

Importance of Health IT Growing

Matt Twyman
Director, Information Technology

In November 2009 the American Medical Informatics Association (AMIA) held their annual symposium in San Francisco California. AMIA is dedicated to "promoting the effective use of information in health care in support of patient care, public health, teaching, research, administration, and related policy". The symposium focused on the current concern of Health Informatics which is the use of information technology in the health care industry.



“Health Information Technology (IT) is the fastest growing field in the global marketplace.”

Importance of Health IT Growing

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Dr. Mark Smith, president and CEO of the California Healthcare Foundation, was one of the keynote speakers who highlighted the overarching need for connected information systems in the health care market place.

In his presentation Dr. Smith discussed how Health Information Technology (IT) is the fastest growing field in the global marketplace. He quoted iHealthBeat stating that the “Health IT market is at \$1 trillion and is expected to yield an annual growth rate of 11% through 2013”.

Also acknowledged during the symposium was the concern for privacy as it relates to Health IT. Most agreed that Health IT does have tremendous potential to improve healthcare quality and reduce costs as it empowers patients to manage their own care. However, it also poses potential risks. Any electronic exchange of personal information does create possible threats to privacy.

FCE Benefit Administrators is at the forefront of the Healthcare industry; privacy and security garner our highest concern. We are committed to an expanding role for IT as the conduit for information sharing and follow the strict guidelines set forth by the U.S. Department of Health and Human Services as a minimum standard for data protection.

At FCE we offer a wealth of services to our clients over the internet with strong password controls and encrypted web pages. Behind the scenes we transmit health related information to payers and providers over industry standard secure channels. Overall we are continuing to expand our electronic data transfer capability to provide more efficient service for our customers.



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