THINKING ABOUT a summer vacation? Here are a few thoughts on something other than whether you should pack jeans in case it gets cold.

Nobody goes on vacation planning to have an emergency or the need to see a doctor, but it is a good idea to spend a little time to make sure your medical insurance will be there in case you need it.

The way you receive care away from home is going to depend on the insurance carrier you have and the type of coverage you have.

Hopefully you won’t have to use it, but spending a little time now can save you a lot of time and aggravation later.

Here are some quick tips and suggestions as well as general information from some different carriers. As always, give us a call if you have specific questions or need help in explaining benefits.

**Tips for a Vacation Healthcare Emergency**

- Always carry your current member ID card with you.
- If traveling outside of the country, contact your carrier to see how coverage is handled. It may be different based on the country.
- Check with your carrier member service to see if you have access to Virtual Care or Telemedicine. Carriers have varying definitions of these two services, but either can be helpful to you at home or on vacation.
  - Typical usage on vacation can include finding an in-network urgent care center nearby, or even diagnosing “pink eye” and having a prescription called in to a local pharmacy. Some services require registration and may carry a copay.
- If you are out of network and need inpatient care, contact your carrier’s member service to let them know (contact number is normally on the back of your ID card). This will allow for a better coordination of coverage and billing.
- Most UPMC Health Plan members have access to Assist America, a program that provides services like doctors, hospitals and other services while traveling 100 miles or more from home or outside the country. [www.assistamerica.com](http://www.assistamerica.com)
- Blue Cross/Blue Shield members have access to the Global Core to assist in coordinating coverage needed outside the United States (this program was previously known as BlueCard Worldwide). [www.bcbglobalcore.com](http://www.bcbglobalcore.com)
- Medicare Advantage plans will typically allow for emergency care provided outside your normal network as well as in other countries. In most cases, care will be covered only if provided during a true emergency situation (e.g. a heart attack) rather than for a more routine healthcare need (e.g. the flu).
SENATE REPUBLICANS released draft legislation on June 23 to repeal and replace the Affordable Care Act that does much of the same that similar legislation from the House would do.

The aim of the draft is the same as the American Health Care Act (AHCA) passed by the House of Representatives in April. But soon after that bill was passed, the Senate leadership made sure that everyone knew that it would be putting together its own legislation instead of entertaining the AHCA.

Their bill, dubbed the Better Care Reconciliation Act of 2017, is sweeping in its complete disassembly of the ACA, particularly the employer and individual mandates, taxes attached to the law, and a reversal – and then some – from the Medicaid expansion that also took place under the ACA.

We try to boil it down to what will matter to you below:

### The Better Care Reconciliation Act Basics

The bill would:

- Instead of eliminating the employer mandate requiring organizations with 50 or more employees to secure coverage for their workers, eliminate the $2,400 a year per employee penalty.
- Instead of eliminating the individual mandate to have coverage, eliminate all penalties for not securing coverage.
- Repeal all ACA taxes except the "Cadillac tax," which would levy a 40% tax on any employer-sponsored plans that cost more than a certain amount. The Cadillac tax would be pushed out to 2026.
- Offer tax credits to people buying coverage in the individual market and whose incomes are 350% of the federal poverty level. That's compared with 400% of the poverty level under the ACA. Those tax credits would be based on age and income level.
- Bar employers from expensing health plans that cover abortions (except in cases of rape and incest).
- Nearly double contribution limits for health savings accounts.
- Let people use their HSAs to pay for over-the-counter medications, which is restricted under the ACA.
- Amend the Employee Retirement Income Security Act (ERISA) to create a small business "association health plan" option.
- Allow both spouses to make catch-up contributions to one HSA, beginning in 2018.
- Change age rating bands to 5-to-1 (or higher as determined by states). That means that health plans could charge elderly enrollees up to five times as much as younger enrollees, compared to three times as much under the ACA.
- Keep ACA rules such as barring discrimination for pre-existing conditions, no health underwriting and allowing children to stay on a parent’s plan through age 26.
- Allow states to get waivers if they want to change or reduce the number of essential benefits that all health plans are supposed to include under the ACA.
- Keep unchanged ACA reporting requirements. That means applicable large employers must file annual reports with the IRS documenting the health coverage they provide to each employee. Similar forms must also be supplied to employees.
LAST MONTH, the Internal Revenue Service released the 2018 inflation-adjusted amounts for health savings accounts and high-deductible health plans.

The two types of account are related, as all HDHP participants must also have an accompanying HSA. But HSAs are also available to participants in more traditional health plans that do not have high deductibles.

If you have HDHPs for your employees or are considering offering one for 2018, you’ll want to pay attention to the changes for that year:

<table>
<thead>
<tr>
<th>HSA maximum calendar-year contribution</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-only coverage</td>
<td>$3,450</td>
<td>$3,400</td>
</tr>
<tr>
<td>Family coverage</td>
<td>$6,900</td>
<td>$6,750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HDHP minimum annual deductible</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-only coverage</td>
<td>$1,350</td>
<td>$1,300</td>
</tr>
<tr>
<td>Family coverage</td>
<td>$2,700</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HDHP maximum out-of-pocket expense</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-only coverage</td>
<td>$6,650</td>
<td>$6,550</td>
</tr>
<tr>
<td>Family coverage</td>
<td>$13,300</td>
<td>$13,100</td>
</tr>
</tbody>
</table>

A recent analysis by the consulting firm Mercer found that the average per-employee cost of HSA-eligible plans is 13% less than that of a traditional PPO.

Despite that, while 53% of large employers offer such a plan, just 6% position it as a full replacement for traditional medical coverage.

Higher costs are one reason. Employers that offer HSA plans as a full replacement spend $9,991 per employee versus $9,453 for plans that are offered as a choice.

Poor employee engagement is another factor. At companies that offer HSAs, only 24% of covered employees enroll in one.

When offered alongside other medical plans, just 40% of eligible employees choose an HSA to which their employer contributes, versus 35% when there is no employer contribution.

Please note that if you have a grandfathered plan, the Affordable Care Act limits the out-of-pocket maximum. For 2014, the limit was equal to the out-of-pocket maximum for HSAs.

So, the maximum out-of-pocket that may be used under a non-grandfathered health plan in 2018 will be $7,350 for self-only coverage and $14,700 for other than self-only coverage.

How to engage employees for HSAs

New research also suggests employees are drawn to a longer time horizon for HSAs.

More than 40% of HSA participants surveyed enrolled in their accounts to make use of them as savings vehicles for future health care needs.

That compares with the 21% of respondents who cited tax savings and the 9.5% who identified lower premiums as the chief reasons for their HSA participation.

This means that employers that offer HSA-linked plans should try to focus on showing their employees that even small extra savings, year-over-year, can accumulate to a nice nest egg going toward their future expenses.

Employers can make use of tools such as calculators to help participants determine how much they should be contributing to their accounts.

They also can encourage enrollment by raising awareness of the tax benefits.
To stave off debt, some people dip into, or deplete, their retirement savings and end up paying extra due to resulting taxes, fees, and reduced health insurance subsidies.

However, other adults don’t even have enough, or near enough, of a nest egg saved to cover all the costs.

I F YOU WANT to provide your employees with the one voluntary benefit that can give them peace of mind should tragedy strike, critical illness coverage is the answer.

Demand has grown for critical illness insurance over the last few years as more of the cost-sharing burden has been shifted to employees on employers-sponsored health insurance plans.

According to the Kaiser Family Foundation’s “2015 Employer Health Benefits Survey,” employees had to pay 255% more for their individual insurance deductibles in 2015 compared to 2006.

Additionally, the foundation reported that the number of workers with deductibles of $1,000 or more nearly doubled between 2010 and 2015 – increasing from 27% to 46%.

Since employees have taken on a higher cost-sharing burden, many employers have begun to enhance their voluntary benefits offerings to include critical illness or cancer coverage to help offset the risk for employees and increase satisfaction and retention.

Interest grows

In part, employee interest in critical illness insurance stems from the chain of events that may have cut back their benefits and caused their deductibles to skyrocket. They are looking for peace of mind should they be stricken by a serious illness.

In addition, advances in medicine and technology that have prolonged life also make critical illness coverage more attractive.

Consider that out-of-pocket costs for a critical illness can start at around $15,000 and climb from there, and that lost income can be as much as $50,600, according to a 2014 MetLife study.

In other words, battling a critical illness could be just the tip of the iceberg. If someone’s lucky enough to survive a critical illness, they may still suffer major financial damage due to high medical bills and restricted income.

To stave off debt, some people dip into, or deplete, their retirement savings and end up paying extra due to resulting taxes, fees, and reduced health insurance subsidies.

However, other adults don’t even have enough, or near enough, of a nest egg saved to cover all the costs.

Critical Illness Coverage Vital as Deductibles Rise

How it works

Critical illness coverage provides a lump-sum payment a policyholder can use for any expense if they’ve been diagnosed with a serious illness.

Evolving products

Insurers have started offering new and/or improved critical illness products.

Mostly, this insurance only pays out for one occurrence of a listed condition. And once that payment is made, the policy is terminated.

Now, insurers offer policies that cover a wider variety of conditions and allow beneficiaries to receive multiple payouts if they suffer from a reoccurrence or another condition entirely.

As a result, more employers are offering critical illness coverage. According to Mercer’s “2015 National Survey of Employer-Sponsored Health Plans,” the percentage of employers with 500 or more employees offering group cancer or critical illness insurance increased to 45% in 2015 from 34% in 2009.

And a Willis Towers Watson survey predicts that 73% of these employers will offer it by 2018.

If one of your employees is in a fight against a critical illness, the last thing they should have to worry about is whether they have enough money to fund the battle. Be the one to stand up and offer this timely form of protection.

WANT TO KNOW MORE? CALL US: 800.732.9281

Copyright 2017 all rights reserved.

Produced by Risk Media Solutions on behalf of Fringe Benefit Services, Inc. This newsletter is not intended to provide legal advice, but rather perspective on recent regulatory issues, trends and standards affecting health insurance, voluntary benefits, 401(k) plans and other employee benefits. Please consult your broker or legal counsel for further information on the topics covered herein.