

# HR Newsletter

HOSPITAL COUNCIL of WESTERN PENNSYLVANIA



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## IRS Issues Guidance on Definition of Full-Time Employee and 90 Day Waiting Period Under PPACA

The Internal Revenue Service (IRS) has issued updated guidance on how to define a "full-time employee" under the employer responsibility provisions of the Patient Protection and Affordable Care Act (PPACA). The Departments of Labor (DOL), Health and Human Services, and the Treasury also issued guidance on how the 90-day waiting period limit should be implemented for certain variable-hour employees. Under the shared responsibility provisions of the PPACA, beginning in 2014, employers with 50 or more full-time or full-time equivalent (FTE) employees will be required to provide "minimum essential" health care coverage for their full-time employees or pay an annual penalty. [IRS Notice 2012-58](#) expands on previously issued guidance and discusses a safe harbor method that employers can apply to newly hired employees. At the same time, the IRS and DOL issued new temporary guidance in [IRS Notice 2012-59](#) on the 90-day waiting period limitation under the Public Health Service (PHS) Act, as implemented by the PPACA. As the guidance explains, this provision "provides that, for plan years beginning on or after January 1, 2014, a group health plan or health insurance issuer offering group health insurance coverage shall not apply any waiting period that exceeds 90 days." The guidance, which includes a number of examples with varying fact patterns to help employers understand what constitutes compliance with the 90-day waiting period limit, will remain in effect at least until the end of 2014.

## Participants in Consumer Driven Health Plans Report Greater Satisfaction

Overall satisfaction levels have risen among those enrolled in consumer-driven health plans (CDHPs) while at the same time they have decreased among those in traditional health plans according to a new report by the Employee Benefit Research Institute (EBRI). Of particular note, satisfaction rates with out-of-pocket costs are trending downward among those with traditional coverage and upward among those with CDHPs. That information is contained in [EBRI Notes](#), Satisfaction with Health Coverage and Care: Findings from the 2011 EBRI/MGA Consumer Engagement in Health Care Survey. Overall satisfaction

among CDHP enrollees increased from 37 percent in 2006 to 46 percent in 2011 while satisfaction among traditional plan enrollees decreased from 67 percent in 2006 to 57 percent in 2011. Furthermore, in 2011, 73 percent of CDHP enrollees were extremely or very satisfied with their ability to get doctor appointments, compared with 68 percent of traditional-plan enrollees. Within the overall trends, the report noted a few divergent findings including enrollees in CDHPs were less likely than those in traditional plans to recommend their health plan and were less likely to stay with their current plan, if given an opportunity to switch. If given the option, many in CDHPs would prefer lower deductibles with the same or better coverage.

## **LTD Claims Increase While Fewer Workers are Covered**

The number of long-term disability (LTD) claims continues to increase, while at the same time the number of wage earners protected by LTD coverage declined in 2011 for the third consecutive year, according to the [2012 Long-Term Disability Claims Review](#), published by the Council for Disability Awareness (CDA), a nonprofit research and education organization sponsored by disability insurers. The report summarizes claims data from 2007 to 2011, gathered from the annual CDA member Long Term Disability Claims Survey. Seventeen CDA member companies representing over 75 percent of the commercial disability insurance marketplace contributed disability claim data for the 2012 survey. While there has been an increase over the past four years in both the number of individuals receiving disability payments and the number of new claimants, the actual number of insured employees has declined each year since 2008. Contributing factors include the economy and jobs climate as well as a gradual transfer of benefits costs from employers to employees.

## **1 in 3 Healthcare Workers Didn't Get a Flu Shot in 2011**

One-third of all healthcare workers failed to be immunized against influenza during the 2011-2012 flu season, prompting government and infectious disease organizations to push for more aggressive efforts from healthcare organizations. While last season's overall healthcare worker immunization rate was 3.4% higher than in 2010-11, nearly one in four hospital workers weren't immunized, one in three physician office employees were not immunized, and almost one-half of all long-term care workers failed to get their flu shots. That's according to the [Morbidity and Mortality Weekly Report](#) published by the Centers for Disease Control and Prevention. Healthy People 2020 set a goal that 90 percent of healthcare workers be immunized by the year 2020 with an interim goal of 70 percent by 2015. In related news, the Rhode Island Department of Health announced that it has adopted amendments to its Rules and Regulations for Immunization and Testing for Healthcare Workers that will make flu immunizations mandatory for all workers, students, trainees, and volunteers who routinely anticipate face-to-face interaction, known as "direct contact," with patients at a healthcare facility. It is the first state in the country to adopt such a requirement.

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