



## Industry Notes, November 2014

- **Minimum Value Plans Must Include In-Patient Hospitalization and Physician Services**  
Beginning in 2015, large employers must offer an “affordable” plan that provides “minimum value” to full-time employees and their dependents in order to avoid a penalty. Minimum value is primarily determined through use of a Minimum Value Calculator. As self-funded and large group fully-insured plans are not required to cover all essential health benefits, the MV Calculator permitted users to “deselect” certain essential health benefits, such as hospitalization or physician services, and still have a plan that met minimum value. The resulting plan insulated the employer from the employer mandate penalty, but also potentially disqualified an employee from being able to access a premium tax credit or subsidy.

Unhappy with this result, the IRS issued Notice 2014-69, effectively limiting the “minimum value” label to plans that include in-patient hospitalization and physician services.

*Seyfarth and Shaw 11/18/14*

- **In July the IRS issued new guidance regarding affordability of employer plans.** For plan years beginning in 2015, an applicable large employer’s health coverage will be considered affordable under the Pay or Pay rules if the employee’s required contribution to the employee-only plan does not exceed 9.56% of the employee’s household income for the year; up from 9.5% in 2014. It is important to note that the safe harbor measure of affordability is still 9.5% of W-2 income.

*Proskauer’s ERISA Practice Blog August 2014*

- **In November the IRS announced the health FSA cap will increase by \$50 for 2015 – from \$2,500 to \$2,550.**
- **The number of uninsured Americans fell during 2014 by somewhere between eight and eleven million people** (different polls have different

outcomes). More than half of those gaining coverage enrolled in Medicaid. The rest enrolled in private health plans.

*New York Times Oct 26, 2014*

- **Target Corporation is teaming up with Kaiser Permanente** to open four in-store Target Clinics in Southern California. The clinics opened at Target stores in Vista, San Diego and Fontana, and a 4th clinic will open in West Fullerton Dec. 6. Clinics will be staffed by nurse practitioners from Kaiser. Clinic services will be available to both Kaiser members and non-members.

While Target has maintained clinics for years, the partnership will allow for a broader array of services than it typically offered at retail outlets. Expanded services include telemedicine consultations, prescription reviews, pediatric primary care visits, OB-GYN services, vaccinations/flu shots, pediatric and adolescent care and management of chronic illnesses.

*MedCity News 11/16/14*

- **Make your New Year’s Resolution Stick**  
Though there’s no tried-and-true formula for sticking to your health goals, approaching them in the right way can improve your chances of success.
  - 1) **Be Realistic.** The path to success is to start out small and make steady progress. Shape your success by breaking down a bigger goal into manageable pieces. Instead of resolving to “exercise more,” start with “I will exercise twice a week,” and build from there.
  - 2) **Make yourself accountable.** People who wrote down their goals and shared them with a supportive friend were 33% more likely to accomplish their goals.
  - 3) **Team Up.** Adults that partner with an exercise buddy or a group are more motivated to maintain their workout routines.

*Consumer Reports on Health Dec 2014*



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