Health Update

NCCMP Lawyers & Administrators Meeting
April 11, 2019

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Enforcement Activity Continues

Both DOL and CMS continue active programs to audit group health plans – multiemployer & large public sector plans are key targets

Focus includes:
- Grandfathered status
- Mental Health Parity and Addiction Equity Act compliance – particularly treatment limitations like preauthorization or network restrictions
- HIPAA special enrollment
- ACA group mandates (including preventive services and emergency room services applicable to non-grandfathered plans)

IRS also continuing to enforce ACA employer penalty
# Employee Benefits Security Administration

## Recoveries 2017 & 2018

### TOTAL MONETARY RECOVERIES
(Health & Retirement)

<table>
<thead>
<tr>
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<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>Total Recoveries</td>
<td>$1.1B</td>
<td>$1.6B</td>
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<tr>
<td>Recoveries from Enforcement Actions</td>
<td>$682.3M</td>
<td>$1.1B</td>
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<tr>
<td>Voluntary Fiduciary Correction Program</td>
<td>$10M</td>
<td>$10.8M</td>
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<tr>
<td>Abandoned Plan Program</td>
<td>$27.9M</td>
<td>$33.4M</td>
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<td>Monetary Benefit Recoveries from Informal Complaints</td>
<td>$418.7M</td>
<td>$443.2M</td>
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In 2018, OCR concluded an all-time record year in HIPAA enforcement activity.

OCR settled 10 cases and secured one judgment, together totaling $28.7M. This total surpassed the previous record of $23.5M from 2016 by 22%.

OCR also achieved the single largest individual HIPAA settlement in history of $16M with Anthem, Inc., representing a nearly three-fold increase over the previous record settlement of $5.5M in 2016.
Nearly 45 million workers are covered by paid sick days laws; 33 million workers are covered by paid family leave laws; and More than 28 million workers are covered by both

Federal Paid Leave Proposals

➢ Both parties are introducing paid family leave proposals in Congress, but the details differ significantly.

➢ Sen. Marco Rubio (R-FL) and Rep. Ann Wagner (R-MO) introduced a bill providing mothers and fathers with pay while caring for a new baby by allowing them to draw from future Social Security benefits.

➢ Sen. Kirsten Gillibrand (D-NY) and Rep. Rosa L. DeLauro (D-Conn) reintroduced the Family and Medical Insurance Leave (FAMILY) Act, which would provide workers with up to 12 weeks of partial income while taking family leave.
   • This bill would create a family leave insurance, structured like unemployment insurance.
   • Eligible workers could earn 66 percent of their monthly wages (capped at $4,000) for up to 12 weeks of leave. The benefit would be funded by employer and employee payroll contributions.
Questions?