

# January 2014 Newsletter

## January Meeting

Wednesday,  
January 8th

*Decatur Country Club*

**\$15.00**

11:30am — 1:00pm

Networking will begin at  
11:30 a.m. and the  
program will start at noon.

If you **RSVP** that you are  
coming and then you don't  
attend, you will still be  
charged for the meal.

For reservations,  
contact  
**Patti Fowler** at  
[pfowler@alliancehrservices.com](mailto:pfowler@alliancehrservices.com)

**We want to make  
sure we have  
plenty of room  
for everyone.**

**Please RSVP by noon  
Friday,  
January 3rd**

**Wednesday, January 8th**

**Our speaker:**

**Mary Ila Ward, SPHR, Horizon Point Consulting, Inc.**

**Topic:**

**“Connecting Corporate Strategy to Talent  
Management”**



Mary Ila Ward, SPHR, is the owner of Horizon Point Consulting, Inc. whose mission is to provide talent management and career coaching and consulting that leads to a passionate and productive workforce. This includes helping companies develop and implement talent management systems that are grounded in organizational strategy and results. Horizon Point also provides leadership training programs and coaching. In addition, the company provides career and college coaching and career transition services to individuals.

In order for HR to have a legitimate seat at the strategic table, HR professionals must understand and be able to contribute to the development of company strategy including corporate values and measurements such as Key Performance Indicators (KPIs) and Return on Investment (ROI). In addition to understanding and shaping these key factors, HR professionals must understand how to apply that knowledge to shape talent management processes and procedures. Using case study examples, this workshop will cover:

1. Demonstrating and understanding strategy, values and KPIs through real case study examples
2. Understanding how these samples were applied to shaping two key talent management processes: selection and performance evaluation.
3. Demonstrating how these processes can be validated and measured to prove ROI for the company

**Your Company's Logo could be in this spot!**

*Would your company like to sponsor a meeting? The cost is only \$100 and is a great advertising opportunity. Please contact Linda Robinson or Taylor Simmons if your company would like to sponsor a chapter meeting.*

## Departments Propose Changes to Qualifications for Certain Limited Excepted Benefits that Avoid Group Health Plan Requirements

Courtesy of Lehr Middlebrooks & Vreeland, P.C.

The Employee Benefits Security Administration, IRS, and the Department of Health and Human Services (HHS) (the Departments) have jointly issued proposed regulations that would amend provisions relating to certain "excepted benefits" that could have important implications for employers under the Affordable Care Act (ACA) and other benefits statutes. Excepted benefits are not subject to many of the requirements under HIPAA, ERISA, and ACA, including many of the upcoming ACA coverage reforms set to take effect in 2014. In general, excepted benefits are certain limited scope benefits that are (a) provided under a separate policy, certificate, or contract of insurance, or (b) are otherwise not an integral part of the plan.

The proposed regulations issued by the Departments would amend the definition of limited excepted benefits to:

- 1) eliminate the requirement that participants in self-insured plans pay an additional contribution for limited-scope vision or dental benefits to qualify as benefits that are not an integral part of a plan (and therefore as excepted benefits);
- 2) allow plan sponsors in limited circumstances to offer wraparound coverage to individuals who, but for the unaffordability of the premium, would receive such benefits through their group health plan; and
- 3) set forth the criteria under which EAPs that do not provide significant benefits in the nature of medical care will constitute excepted benefits.

The proposed regulations would take effect for plan years starting in 2015.

### Dental and Vision Benefits

Under current regulations, dental and vision benefits are only excepted benefits if, among other things, participants must pay an additional premium or contribution if they elect to receive such coverage. Employers have argued that, where employers are providing such benefits on a self-funded basis and without a contribution from employees, they should not be required to charge a nominal contribution from participants simply for the benefits to qualify as excepted benefits--especially because, in some cases, the cost of collecting the nominal contribution would be greater than the contribution itself. In response to these concerns, the proposed regulations would eliminate the requirement that participants pay an additional premium or contribution for limited-scope vision or dental benefits to qualify as benefits that are not an integral part of a plan.

Limited wraparound coverage rules may allow employers to help employees pay their individual coverage premiums.

### Wraparound Benefits

According to the Departments, many employees will decline employer-sponsored coverage and opt for less expensive individual market coverage that may not offer the same level of benefits. Under current regulations, employers could not offer benefit plans to supplement employees' individual market coverage because such plans would not satisfy ACA market reforms. The proposed regulations, however, would allow employers to offer limited coverage that will qualify as excepted benefits if certain conditions are met, and, therefore, would not be subject to ACA coverage reforms.

Under the proposed regulations, the Departments would treat certain wraparound coverage provided under a group health plan as excepted benefits when it is offered to individuals who could receive such benefits through their group health plan if they could afford the premiums, but who do not enroll in the employer-sponsored plan because the premium is unaffordable under the law. Importantly, to take advantage of these limited wraparound coverage rules, an employer must also offer a group health plan that meets minimum value requirements. As a result, the wraparound coverage could not replace group coverage for employers who drop coverage or who otherwise do not offer minimum value coverage. Rather, the wraparound coverage would be considered to be an excepted benefit only if the coverage is used to provide additional coverage to individuals and families enrolled in non-grandfathered individual health insurance coverage and for whom minimum value coverage under the employer's group health plan is offered but is unaffordable (generally meaning it is greater than 9.5% of household income). In summary, wraparound coverage must meet the following five requirements to qualify as excepted benefits:

1. The limited wraparound coverage can only wrap around individual market coverage that is non-grandfathered and does not consist solely of excepted benefits.
2. The limited wraparound coverage must be specifically designed to provide benefits beyond those offered by the individual health insurance coverage. Specifically, the limited wraparound coverage must provide either benefits that are in addition to EHBs, or reimburse the cost of health care providers considered out-of-network under the individual health insurance coverage, or both.
3. The limited wraparound coverage must not be an integral part of a group health plan. According to the Departments, this means that the plan sponsor offering the limited wraparound coverage must sponsor a "primary plan" meeting minimum value requirements for the plan year and the primary plan must be affordable to a majority of employees. Only individuals eligible for this primary plan may be eligible for the limited wraparound coverage.
4. The limited wraparound coverage must be limited in amount--meaning the total cost of coverage under the limited wraparound coverage must not exceed 15 percent of the cost of coverage under the primary plan.
5. The limited wraparound coverage must not discriminate based on any health factor, may not impose any preexisting condition exclusion, and neither the primary plan nor the limited wraparound coverage may discriminate in favor of highly compensated individuals.

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## Departments Propose Changes to Qualifications for Certain Limited Excepted Benefits that Avoid Group Health Plan Requirements

Courtesy of Lehr Middlebrooks & Vreeland, P.C.

(Continued from Page 2)

These limited wraparound coverage rules may also allow employers to help employees pay their individual coverage premiums. A recurring issue for employers and benefits professionals has been whether employers are permitted to contribute to employees' individual coverage premiums, including premiums for coverage purchased on a public health insurance exchange. Guidance issued prior to these proposed regulations all but foreclosed on employers' ability to do so because such contributions would be considered a group health plan and would not meet ACA coverage reform requirements. If the above requirements are met, however, and the limited wraparound coverage constitutes excepted benefits, then the proposed regulations would allow the limited wraparound coverage to provide benefits to reimburse participants' otherwise applicable cost sharing under the individual health insurance policy. The proposed regulations specify, however, that reimbursement of cost-sharing for individual policies cannot be the primary purpose of such wraparound coverage. Furthermore, the proposed regulations explain that providing limited wraparound coverage that constitutes excepted benefits will not satisfy an applicable large employer's responsibilities under the employer mandate.

### Employee Assistance Programs (EAPs)

Since enactment of the ACA, there have been concerns about the ability of limited-scope EAPs to comply with certain ACA requirements (including the prohibition on annual limits) and the lack of a universal definition for what constitutes an EAP. Previous guidance provided transition relief that allows an EAP to constitute excepted benefits only if the EAP "does not provide significant benefits in the nature of medical care or treatment." Under the transition relief, employers were permitted to use a reasonable, good faith interpretation of whether an EAP provides significant benefits in the nature of medical care or treatment. The proposed regulations, however, set forth specific criteria that an EAP must satisfy to qualify as excepted benefits:

1. The EAP cannot provide significant benefits in the nature of medical care.
2. EAP benefits cannot be coordinated with benefits under another group health plan. This requirement will be met only if the EAP meets three conditions: (1) participants in the separate group health plan must not be required to exhaust benefits under the EAP (making the EAP a "gatekeeper") before an individual is eligible for benefits under the other group health plan, (2) participant eligibility for benefits under the EAP must not be dependent on participation in another group health plan, and (3) benefits under the EAP must not be financed by another group health plan.
3. No employee premiums or contributions may be required for participation in the EAP.
4. There may be no cost-sharing under the EAP.

The transition relief is still effective through 2014, but the EAP requirements above will apply beginning in 2015.

The Departments are seeking comments on many aspects of the proposed regulations. All comments must be submitted within 60 days of the proposed rule's publication in the Federal Register on December 24, 2013.

For additional information or to discuss how the proposed regulations may affect your benefits compliance strategy, please contact one of our benefits attorneys.

## Thanks to Del Monte for sponsoring the January meeting!



**DEL MONTE FOODS**  
DEL MONTE PET PRODUCTS

## Make Plans to Attend Our February Meeting

**When: Wednesday, February 12, 2014**

**Who: Pam Werstler**

**Topic: "The Future of HR: Are You Ready?"**

## 2014 BOARD OF DIRECTORS

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### Newsletter

Tiffany Weaver  
Ascend Performance Materials  
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## Welcome the Newest Additions to TVC-SHRM

- **Paul Greer, SPHR, HR**  
Manager, Daikin
- **Robert Gossett, Veteran's**  
Employment Representative,  
Decatur Career Center

## Want a free lunch in 2014?

Please note that, beginning with the January 2014 chapter meeting, the cost of lunch will increase to \$15 per person with our move to the Decatur Country Club. Because renewals will be sent out in November, you can actually pre-pay for your lunches AND save some money for 2014. All members who pre-pay for their lunches for the year will receive a discount and receive one meal for free! Pre-paying is worry free and allows you to get through registration faster. It also eliminates having to keep up with receipts and expensing out your lunch. More info will be included with your membership renewal notices.

## Save the Date! Upcoming Events

- **June 22-25th—SHRM 2014 Annual Conference in Orlando, FL.** Go to [shrm.org](http://shrm.org) for more information and to register for the event.
- **May 14th-2014 Alabama State SHRM Conference in Birmingham—** more information to come soon!
- **Every 1st Wednesday-Workforce** Coalition meeting at The Chamber of Commerce (*Contact Mary Ila Ward at [miw@mceda.org](mailto:miw@mceda.org) for more info*)

Please contact Tiffany Weaver at [tweave@ascendmaterials.com](mailto:tweave@ascendmaterials.com) if you have an upcoming event that you would like to add.

Our February meeting will be held on Wednesday, February 12, 2014 featuring Pam Werstler at the Decatur Country Club.

Hope to see everyone there!



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