

Orange
County Association of
Health
Underwriters

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Co.I.N.

COUNTY OF ORANGE INSURANCE NEWS



Women in Business 2019—Complete Coverage Inside!

***A Special Edition 32
Page Issue, Jammed
Packed with Value Infor-
mation, Event Coverage
and More!***

Feature Article:

***PHARMA CONSPIRACY TO RAISE
GENERIC DRUG PRICES?***

***WHAT OUR ASSOCIATION DOES
TO PROTECT US***

***By: Dorothy M. Cociu, RHU, REBC, GBA,
RPA, OCAHU VP Communications &
Public Affairs***

Inside this Edition:

- Feature Article: *Pharma Conspiracy to Raise Drug Prices? What Our Association Does to Protect Us*
- Compliance Corner—*Legal Briefing; Privacy & Security Updates and Enforcement*
- Capitol Summit 2019 - Complete Coverage!
- Women In Business—Complete Coverage!
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- Welcome the New OCAHU Board of Directors 2019-2020!
- Surprise Billing Op-Ed and Member Infographic
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Capitol Summit Complete Coverage Inside!



OCAHU Members Jim Douglas and Ryan Dorgan at the Capitol Building, visiting Senator Ling Ling Chang's office



MaryAnn Trutanich, New OCAHU President, with Maddie Hong (daughter of Grace Hong) at Women In Business 2019



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Coming in the Next Issue of the COIN: NAHU Annual Convention Complete Coverage!

Mark Your Calendars For

OCAHU CE Day

Tuesday, September 10, 2019 &

OCAHU Monthly Meeting

Tuesday, October 8, 2019

Hyatt Regency, Newport Beach

Coming Soon!

Senior Summit & Golf Tournament

Temecula, CA

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Making a Difference in People's Lives.

One Member at a Time.

Our association is a local chapter of the National Association of Health Underwriters (NAHU). The role of OCAHU is to promote and encourage the association of professionals in the health insurance field for the purpose of educating, promoting effective legislation, sharing information and advocating fair business practices among our members, the industry and the general public.



Letter from New OCAHU President, MaryAnna Trutanich

I'm a proud daughter of a Commercial Tuna Fisherman. My father owned and captained a 1,500 ton tuna vessel. He could not have as piloted this

large vessel or had been as successful as he was without the crew he had on board.

I am honored and feel like I'm following in my father's footsteps by being the "new captain" of this great association, OCAHU. I too, will not be successful without the help of the "crew"; the OCAHU Board, all the committees attached to the Board, and YOU the members.

If I asked all of you to describe to me in 1-3 words what the current status is of our industry, what would those words be?

Mine would be *chaotic*. According to Webster, the definition of Chaotic is "a state of complete confusion and disorder." Isn't this what we and our clients feel at times? Billing issues, claims issues, network vs out of network issues... *Chaotic!!!!*

It's times like this where our Association is there to help you navigate through this. The Association is there to lobby for you and your clients to help smooth the waters.

For many people, membership in a professional organization like ours begins and ends with paying dues to keep their name on a membership roster. Yet, you may be missing out on important connections and knowledge that can be gained by attending events and getting truly involved. The National Association of Health Underwriters (NAHU; our Mother ship) offers opportunities that can accelerate your success, such as net-

working events for making new connections, conferences or lectures for broadening your knowledge and career resources. The annual Convention they are hosting this year is right here in our backyard, San Diego. NAHU will be hosting seminars and meetings to help you with your business. Are you going? *If not, why not?* The Orange County Association of Health Underwriters is here to help, too.

I believe in "the little asks." Always ask *for* help. Always ask *to* help. This Association cannot operate by itself. We need all of you.

What's my ask?

- Become a member today. Consider our membership a form of Insurance for your job.
- Recruit 1 new member.
- Renew your membership when our VP of Membership & Retention calls to remind you, or change to an automatic renewal on a monthly basis.
- Participate in all the events we offer.
- Volunteer to help with all the events we offer.

I am excited to work with the Board in the coming months to announce new and exciting events for the year. Let's continue to make this the "BEST" local association chapter in California and the Nation.

My final ask...*Are you ready to jump onboard the ship?*
##

Capitol Summit 2019 Event Photos



OCAHU Board Members Top: Dave Benson, Juan Lopez, Dan Abrams, David Ethington, Ryan Dorigan, Maggie Stedt; Bottom: Pat Stiffer, MaryAnn Trutanich, John Evangelista, Dorothy Cociu



John Evangelista, Kristie Scavarda (CAHU VP Communications), David Ethington, Ashley Ingram (President IEAHU), Juan Lopez at visit the Assembly Gallery in Sacramento



Feature Article: PHARMA CONSPIRACY TO RAISE GENERIC DRUG PRICES? WHAT OUR ASSOCIATION DOES TO PROTECT US

By: Dorothy M. Cociu, RHU, REBC, GBA, RPA

OCAHU V.P. Communications & Public Affairs

Oh, what a conspiracy... We as agents strive to educate our clients and help them in every way that we can to keep their health plan costs under control. We advise them on plans, trends, cost-containment, and how to control overall health care spending. And then things beyond our control throw a monkey-wrench into all of our efforts, slapping the employers in the face who have done the right things, and provided quality group health insurance to their employees. That, my friends, is what was happening in the pharmaceutical industry.

In May, a lengthy and widespread lawsuit (reportedly 510 pages) was filed in US District Court in Connecticut alleging that numerous pharmaceutical companies, including Pfizer, Mylan, Teva, Sandoz and 16 others, worked jointly to create a “fair share” of the generic drug market and conspiring to hike generic drug prices for reportedly 114 generic drugs for minor infections and chronic diseases, some claiming the inflation of drug prices by a range of 10 times to 1,000%. On average, medications, according to CNN (Susan Scutti, May 13, 2019), increased an average of 448% between July 2013 and July 2014. The court document states, again according to CNN, that during a 19-month period, from July, 2013 through January, 2015, Teva significantly raised prices on approximately 112 different generic drugs. The affected drugs include tablets, capsules, suspensions, creams, gels and ointments. Many of the drugs affected include necessary medications such as statins, ace inhibitors, blood thinners, beta blockers, antibiotics, antidepressants, contraceptives, and nonsteroidal anti-inflammatory drugs used to treat basic infections, diabetes, cancer, epilepsy, MS, HIV, ADHD and other conditions.

According to news reports, a coalition of attorneys general from 43 states and Puerto Rico claim in the lawsuit that drug manufacturers and 15 pharma executives were involved in a widespread conspiracy to raise drug prices, costing billions of dollars in overcharges and undermining government efforts to hold down drug prices.

CBCS aired a 60 Minutes episode in May to highlight this issue and provided their audience with their investigation results.

The lawsuit highlights the network of industry executives, who

used, according to news sources, social gatherings such as girls’ nights, lunches, cocktail parties, and golf outings to meet and conduct conspiracies. The interconnected executives also communicated frequently with phone calls, emails, and text messages, that, according to news sources, detail their illegal agreements, to ensure that each competitor was “playing nice in the sandbox” and were acting like “responsible competitors.”

Responsible competitors? *Who is kidding who?* The pharma companies, should this lawsuit end in a win for the attorneys general, basically chose to line their own pockets, which in my opinion, is anything but being reasonable competitors.

William Tong, Attorney General of Connecticut, stated (Pharmacy Times, May 14, 2019, by Gina Kokosky) “We have hard evidence that shows the generic drug industry perpetrated a multi-billion dollar fraud on the American people,” in a prepared statement. “We have emails, text messages, telephone records, and former company insiders that we believe will prove a multi-year conspiracy to fix prices and divide market share for huge numbers of generic drugs.” He also stated that “This investigation is still in its early stages. We will not stop until these companies and the individuals who orchestrated these schemes are held accountable.”

Tong continued, “We all wonder why our healthcare, and specifically the prices for generic prescription drugs, are so expensive in this country – and this is a big reason why.” Tong, by the way, is a Democrat, and we all know that the democratic party in Washington (and California) is using every available piece of ammunition to persuade Congress and the nation that single payer or Medicare-for-All is the way to go.

Connecticut Attorney General investigators describe the May, 2019 lawsuit as potentially “the largest cartel case in the history of the United States,” (USA Today).

This lawsuit is the second filed by Connecticut alleging fraud and price fixing in the drug market. A 2016 federal lawsuit in Pennsylvania federal court is ongoing, but according to

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Women In Business 2019 Report

OCAHU had another successful Celebration of Women in Business event on June 7th. The sold out event was held at the Balboa Bay Resort in Newport Beach. All proceeds went to New Hope Grief Support Communi-

ty. Our Pink Diamond event sponsor was Health Net.

As the guests arrived they were greeted by Mary Ann Trutanich from Kaiser Permanente, who sponsored the valet parking. They then went to registration where they received their name badges (sponsored by Dickerson Benefits) and their pre-paid raffle and Grand Prize tickets. In the foyer of the ballroom, attendees were greeted by our merchant vendors, who generously donated a portion of their sales to New Hope.

The patio was home to our popular Pop the Cork wine-pull, sponsored by LISI, a fun photo booth donated by Blue Shield, and our beautiful raffle and auction baskets. Congratulations to all who won those baskets!

As our guests entered the ballroom, they found beautiful centerpieces donated by Blue Shield and Trio and delightful life-preserver bottle opener favors, courtesy of Colonial Life. Our table wine sponsors were Benefit Mall and United Healthcare.

Ryan Dorigan, President of OCAHU, opened the show, followed by Bob Stiffler, who led us in the Pledge of Allegiance. Victoria Bost, from Health Net, started the event with some great statistics about Women in Business in Orange County, followed by a heart warming video.

David Leonard spoke about New Hope and introduced Nekaya Carter, who lost her husband in a tragic accident that made National

news. Because of the help that Nekaya received to aid her in her grief, she now helps others find a new normal, by facilitating grief groups. David introduced an app to enable our guests donate directly to New Hope and challenged us to raise \$3000. Naturally the over-achievers at OCAHU raised well above that goal and reached \$5000! In addition our DJ, Frank Roberson, announced a \$1 challenge and raised several hundred additional dollars. Thank you Schulten Group for your sponsorship of AV/Audio!

The Woman of the Year was our own Renee Melgoza. Renee and her husband started a non-profit and opened a travel softball training facility, Diamond Girlz Fastpitch Softball.

Next was our fabulous fashion show, which was moderated by Lydia Robledo from Word & Brown, our Fashion Show sponsor. The models were beautiful and showed us some of the fantastic styles from Bettini's. (Great job, first time model, Gail James Clarke!) The fashion show had a fun ending, featuring the models and ambassadors.

Our Grand Prize this year was a Celebrity Cruise for two to either Alaska or the Caribbean and was sponsored by Warner Pacific. The lucky winner announced by Lisa Oudt was one of our past Woman of the Year honorees, Judy Burlingham.

Our final tally will be announced at CE Day in September. See you all next year on Friday, June 5, 2020!

##



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Feature Article, Continued from page 5

USA Today (May 13, 2019, Ken Alltucker), two former executives from Heritage Pharmaceuticals, Jeffrey Glazer and Jason Malek, have reached settlements and are cooperating with investigators. Each will reportedly pay \$25,000 in civil penalties and cooperate with the states' investigation.

I have to wonder how many of these top executives in the 2019 case will scramble to be the first to cut early deals.... Whatever the outcome, it's not going to be decided any time soon. "The number of states involved in the suit indicates the seriousness of the situation for both consumers and the pharmaceutical companies," stated Marilyn Monahan, Esq., of Monahan Law Offices. "However, it is very likely the suit will take a long time to resolve, so it is wise to look for legislative and other solutions in the interim."

In January, according to CNN, federal filings showed the lobbying group for the pharma industry spent about \$27.5 million on lobbying in 2018 amid pressure to lower drug prices. This, according to CNN, is a record for the Pharmaceutical Research & Manufacturers of America (PhRMA). This group's prior record lobbying bill was just over \$25 million when the industry fought the Affordable Care Act.

What Can We Do?

So what can we do about things like this? How do we protect our clients as they look for ways to keep healthcare costs down? "To hold down costs," stated Marilyn Monahan, "employers have been steering employees to generics. If generic prices increase, health costs will rise and employers will have fewer options for controlling costs."

Schemes like this, if found in the courts to be an accurate picture of what happened, hurt all of us. "Higher drug prices may cause employees to skip prescribed medications," stated Monahan. "In the long run, this could lead to higher medical costs for both the employee and the employer. It is to the benefit of everyone if the industry could find workable solutions for reducing the cost of prescription drugs."

How Do NAHU and CAHU Help Us?

For those of us who rely on information and solutions from our industry associations, it is comforting to know that NAHU considers lowering health care costs as one of its top issues, and reducing the cost of pharmaceutical drugs is key to doing this. NAHU has long advocated for greater transparency throughout the healthcare system as a means to address the rising cost of healthcare. NAHU supports prescription drug transparency and greater accountability for drug manufacturers.

On the state side, I researched with Faith Borges, CAHU legislative advocate, Bruce Benton, CAHU incoming president (as of July 1, 2019), Jim Morrison, CAHU V.P of legislation and Brad Davis, CAHU VP of Public Affairs, the types of work that CAHU has been doing and continues to work on related to the pharmaceutical industry and drug costs in general. *Relevant bills are AB 1751, AB 1752, AB 1753; two of which were signed into law and both aimed at curbing opioid addiction and RX abuse. CAHU supported AB 2789 for similar reasons. In addition, CAHU also supported AB 2863, which was a bill signed into law last year.* This bill limited the amount a health carrier may require a beneficiary to pay at the point of sale for a covered prescription to the lowest available cost, whether it is the applicable cost-sharing amount of the retail price. It also required the amount paid for a prescription to be applied to the beneficiary's deductible and out-of-pocket maximum if the beneficiary opts to pay the cash price. (Note that though this bill was chaptered, AB 1803 this year is extending the operative date to January, 2020).

"CAHU is supportive of the Legislature's coordinated efforts to curb opioid addiction and abuse and decrease the associated high costs of prescription drugs on premiums," stated Bruce Benton, CAHU incoming President.

A key bill to mention related to this issue is SB 17 (Hernandez), on Prescription Drugs: Pricing Transparency. CAHU supported this bill as amended in 2017, which would provide detailed information on the impacts that rising prescription drugs have on health care premiums by requiring the Department of Managed Health Care (DMHC) and the Department of Insurance (DOI) to annually report on related data gathered from health plans and insurers. *This bill also promotes transparency in the health care system by requiring drug manufacturers to give prior notice to purchasers before raising prices. In addition, SB 17 requires health plans to annually report to the DMHC or DOI data related to covered prescription drugs, which will outline the overall impacts of increasing drug costs on health care premiums, the 25 most frequently prescribed medications, the 25 most costly drugs by total plan spending, and the RX drugs with the highest yearly increase in net cost.* This information, according to CAHU, is a critical first step to understand and control skyrocketing RX costs. *It's certainly nice to know that CAHU was looking out for the industry well in advance of the*

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More Women in Business Photos



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June 5, 2020!

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OCAHU VP Communications Dorothy Cociu and OCAHU Immediate Past President Ryan Dorigan visit Senator Ling Ling Chang's office, Sacramento

CAHU's Capitol Summit Photos



The new 2019-2020 CAHU Board Installation.



OCAHU member Jim Douglas visits the Capitol in Sacramento



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What Agents and Your Clients Need to Know!



July/August, 2019

Legal Briefing

From Marilyn Monahan, Monahan Law Offices

This is a summary of some recent developments of interest to consultants and employers:

Federal: Highlights

HIPAA Privacy and Security Rules: Direct Liability of Business Associates: On May 24, 2019, the Department of Health and Human Services (HHS), Office of Civil Rights (OCR), issued a fact sheet relating to the direct liability of business associates for violations of the HIPAA Privacy and Security Rules. As explained in the fact sheet, under governing law and regulations, OCR has authority to take enforcement action against business associates only for those requirements and prohibitions of the Rules specifically outlined in the fact sheet. A copy of the fact sheet is available at this link: <https://www.hhs.gov/hipaa/for-professionals/privacy/guidance/business-associates/factsheet/index.html>

Business associates should be aware that they may have a legal obligation to comply with sections of the Rules not specified in the fact sheet—for example, because they are required to do so due to the terms of the business associate agreements they have signed—even though they may not be directly penalized by HHS/OCR for failing to comply.

Some New Numbers:

MOOP Limits: For 2020, the maximum out-of-pocket costs (MOOP) on essential health benefits are \$8,150 for self-only coverage and \$16,300 for family coverage (for 2019: \$7,900 /\$15,800). 84 Fed. Reg. 17454 (April 25, 2019).

HSA/HDHP Limits: For 2020, HSA contribution limits are \$3,550 for self-only coverage and \$7,100 for family coverage (for 2019: \$3,500/\$7,000); HSA catch-up contributions are \$1,000 (unchanged from 2019); the HDHP maximum deductible is \$1,400 for self-only coverage and \$2,800 for family coverage (for 2019: \$1,350/\$2,700); and the out-of-pocket expenses for an HDHP may not exceed \$6,900 for self-only coverage and \$13,800 for family coverage (for 2019: \$6,750/\$13,500). IRS Rev. Proc. 2019-25.

4980H Penalties: The 26 U.S.C. § 4980H penalties for calendar year 2020 are estimated to be \$2,570 for the (a) penalty

HIPAA Privacy & Security Updates—From Dorothy Cociu, COIN Editor and HIPAA Privacy & Security Consultant & Trainer



This issue, I'd like to inform you of the first reduction in HIPAA civil penalties, announced by HHS in late April; an official HIPAA Breach settlement; a likely soon-to-be HIPAA breach case (Quest Diagnostics, in the news June 3rd); and a new Fact Sheet released on Direct Liability of Business Associates under HIPAA (also discussed in Marilyn Monahan's Legal Briefing). *As insurance agents, we are ALL business associates of our employer clients and carriers, so this fact sheet is very important to us.*

Item One... *For the first time in history, as far as I know, the federal government has reduced penalty maximums for HIPAA Privacy & Security violations*, effective April 30, 2019. There are 4 separate categories of violations, and HHS has reduced the maximum penalties on 3 of them from the former limit of \$1,500,000 to \$25,000 (for "no knowledge"), \$100,000 (for "reasonable cause"), and \$250,000 (for "willful neglect—corrected").

Item Two... HHS Office of Civil Rights announced a Tennessee diagnostic medical imaging services company will pay \$3,000,000 to settle a breach exposing over 300,000 patients' protected health information on May 6, 2019.

Touchstone Medical Imaging ("Touchstone") has agreed to pay \$3,000,000 to the Office for Civil Rights (OCR) at the U.S. Department of Health and Human Services (HHS), and to adopt a corrective action plan to settle potential violations of the Health Insurance Portability and Accountability Act (HIPAA) Security and Breach Notification Rules. Touchstone, based in Franklin, Tennessee, provides diagnostic medical imaging services in Nebraska, Texas, Colorado, Florida, and Arkansas.

In May 2014, Touchstone was notified by the Federal Bureau of Investigation (FBI) and OCR that one of its FTP servers allowed uncontrolled access to protected health information (PHI). This uncontrolled access permitted search engines to index the PHI of Touchstone's patients, which remained visible on the Internet even after the server was taken offline.

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CAHU Capitol Summit 2019

By David Benson, OCAHU V.P. Legislation

Every May, members of the 13 local chapters of the California Association of Health Underwriters (CAHU) go to Sacramento to receive updates on the status of healthcare bills as they work their way through the legislative process. Each chapter sends its members to the Capitol to meet with Assembly Members and State Senators that represent their geographical area to discuss CAHU's priority healthcare bills.

Healthcare bills are introduced by State Senators and Assembly Members in January and February. The State Senate and the Assembly have committees that bills must go through before they make their way to the Senate or Assembly Chamber for a vote. Bills start out in the Assembly or Senate Health Committee which is made up of Democratic and Republican members. The Chair of the Committee comes from the majority party in each house. This year the Democrats control all Committees in both houses. The Vice Chair of each Committee comes from the minority party. Health Committee members review all bills to determine if they will move on, be put on suspense until next year, or die. Sometimes bills must be amended to move on. The bill's author can decide to accept or reject the amendments.

When a bill makes it out of the Health Committee, it goes to the Appropriation's Committee (Budget Committee), where members determine how much the bill will cost. From the Appropriation's Committee the bill goes to the Senate or Assembly Chamber for a vote.

Healthcare bills require a simple majority (50% plus 1) to pass. When a bill passes in its house of origin it moves to the other house and goes through the same process.

If a bill passes in the 2nd house it goes to the Governor for his signature or veto. If the bill gets amended while in the 2nd house, it goes back to the original house of origin for another vote.

Last March, the CAHU Legislative Committee, which is made up of Leg Chairs from each local chapter in California and the CAHU VP of Legislation, reviewed all healthcare bills introduced by the legislature this year. After discussing each bill, the Committee recommended what position CAHU should take, support, support if amended, watch or oppose. The Committee's recommendations were sent to the CAHU Board

of Directors for approval. Once the bills were approved, the CAHU VP of Legislation Jim Morrison and our Lobbyist Faith Lane Borges categorized each bill as high priority, level 2, level 3, etc. The bill's category determines how much work is done on each bill by our lobbyist.

The bills discussed this year were :

AB 1309 (Bauer-Kahn (Orinda) which extends the enrollment periods for individuals both on and off of the California Health Benefits Exchange in 2020 from October 15, 2019 to January 31, 2020.

AB 5 (Gonzalez) which exempts certain industries/professions including insurance agents, brokers and licensed insurance organizations from the application of the Dynamex Operations West vs Superior Court decision. This bill determines who is a W-2 employee and a 1099 worker.

Balanced Billing or Surprise Billing sometimes occurs when an insured consumer receives emergency care from a health care provider that is out-of-network. In 2016, AB 72 restricted the practice of balanced billing. However, AB 72 did not apply to an estimated 7 million Californians covered by federally-regulated and self-insured plans, or to care received in the emergency room.

The following bills address balanced billing:

AB 651 (Grayson) which would require a health plan contract or insurance policy to provide that an insured consumer would not owe a non-contracting air ambulance provider more than the in-network copayment amount for services beginning January 1, 2020.

AB 1611 (Chiu) which requires a health plan or insurer, on or after January 1, 2020 to charge patients only their regular co-payment, deductible or cost sharing for any emergency room care in or out of network. The bill also closes the loophole that leaves workers with self-insured or federally-regulated coverage through their job exposed to surprise bills.

CAHU supports all of the bills mentioned above.

Most of the legislators we spoke with supported extending the open enrollment period and both balanced billing bills. The

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How to End One of the Healthcare System's Unwelcome Surprises (An Op-Ed on Balance or Surprise Billing)

By Janet Trautwein, CEO, National Association of Health Underwriters

Imagine waking to sharp pain in your abdomen. You rush to the nearest hospital. The doctor diagnoses you with appendicitis, wheels you into surgery, removes your appendix, and ultimately saves your life.

Two days later, you get a bill in the mail -- for \$5,000. Turns out the hospital, ER doctor, and surgeon were all in your health plan's network -- but not the anesthesiologist. So he bills you directly.

Some 60 percent of Americans have been greeted with surprise medical bills like these.¹ They're unfair -- and lawmakers are pressuring healthcare providers to end them. To do so, Congress should prohibit doctors from sending surprise bills in cases of emergency or involuntary care -- and require hospitals and clinics to inform patients whether their doctors are in-network or not.

Surprise medical bills can arrive for many reasons. In the most straightforward cases, patients receive treatment from providers outside their insurance network, often when they need immediate care. Obviously, there's not time to consider whether a hospital or doctor is in-network during an emergency.

In other cases, patients may visit an in-network doctor at an in-network hospital only to find out that their radiologist, or the lab that analyzed their tests, was out-of-network. Sometimes, an entire department will opt out of an otherwise in-network hospital.²

Health plans typically cover a portion of these out-of-network charges. But providers routinely bill patients for the balance -- a practice called "balance billing."

Trying to track down which providers are actually in-network can confuse even the most careful patients. Seventy percent of people who have received unaffordable out-of-network bills thought they were using in-network providers, according to one survey from the Kaiser Family Foundation.³

Balance bills can be sizeable. One study from New York pegged the average out-of-network emergency bill at just over \$7,000. Patients were stuck paying 54 percent of that tab, on average -- or nearly \$3,800.

For specialty care, the bills were even higher. That same New York study determined that out-of-network assistant surgeons, who were often called into surgery without the patient's knowledge, charged an average of nearly \$14,000. Over \$12,000 of that sum fell to the patient.⁴

A mother in Charleston, South Carolina, shared a similar story with CBS News. She had to undergo an emergency C section but the in-network anesthesiologist was unavailable. An out-of-network doctor subbed in and hit her with a charge of \$15,000.⁵

Last year, the Virginia Supreme Court sided with a hospital that had sued a man over an unpaid \$84,000 emergency-room bill. The court ruled that the admission paperwork he'd signed in the ER was a valid contract consenting to out-of-network charges.⁶

Most proposed legislative remedies for surprise medical bills would have health plans pick up the balance for out-of-network charges. But that approach could lead to higher healthcare costs for everyone and reduce access to care.

To come up with the funds needed to pay out-of-network providers their full fee, health plans would have to raise premiums. Consequently, patients won't be relieved of surprise medical bills; they'd simply pay them in a more roundabout way.

Further, saddling health plans with responsibility for surprise medical bills could encourage providers to opt out of insurance networks and raise their prices.

Providers join networks -- and agree to accept discounted payments -- to gain access to an health plan's pool of patients. If providers know plans are legally bound to pay them more than the in-network fee, they have little incen-

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Capitol Summit 2019, Continued From Page 13

legislators were either “on the fence” or opposed to the Dynamex Operations West vs Superior Court bill because many industries were excluded from the bill. The industries that were not excluded could be forced retroactively to pay 1099 workers as W-2 employees. Payroll taxes and penalties would be applied to the W-2 wages.

Information on all the bills discussed is available on the CAHU website at www.cahu.org under the “Legislation” tab.

In addition to discussing legislation, we always start every meeting discussing the role of the agent and offer to assist each legislative district office with handling constituent healthcare issues.

The Orange County Association of Health Underwriters (OCAHU) was represented by Dan Abrams, George Balteria,

David Benson, Dorothy Cociu, Ryan Dorigan, Jim Douglas, David Ethington, John Evangelista, Juan Lopez, Maggie Stedt, Pat Stiffler and Mary Anna Trutanich. We met with every Assembly Member and State Senator that represents Orange County. Some meetings were with the State Senator or Assembly Member and some meetings were with Staff Members.

Our OCAHU Legislative Committee will be meeting with Orange County elected officials in their district office to continue discussions on the bills mentioned above and other legislation that will impact our industry. *If you would like to serve on our Legislative Committee please contact our incoming Leg Chair Dave Benson at 310 215-1222 or email him at david@dcbins.com. ##*

***Don't Forget! Senior Summit Coming in August!
See page 20!***

HHS , DOL & IRS/Treasury Release New HRA Policy

On June 13, 2019, the U.S. Departments of Health and Human Services, Labor, and the Treasury issued a new policy that will provide hundreds of thousands of employers, including small businesses, a better way to provide health insurance coverage, and millions of American workers more options for health insurance coverage. The Departments issued a final regulation that will expand the use of health reimbursement arrangements (HRAs). When employers have fully adjusted to the rule, it is estimated this expansion of HRAs will benefit approximately 800,000 employers, including small businesses, and more than 11 million employees and family members, including an estimated 800,000 Americans who were previously uninsured.

“Too many Americans today have little say in how their healthcare is financed,” said HHS Secretary Alex Azar. “President Trump has promised Americans that he will put them in control of their healthcare, and this expansion of health reimbursement arrangements will help deliver on that promise by providing Americans with more options that better meet their needs. This rule and other Administration efforts are projected to provide almost 2 million more Americans with health insurance.”

“By continuing to offer diverse health coverage choices, the Trump Administration ensures America has a healthy workforce,” said Labor Secretary Alex Acosta. “The HRA final rule offers millions of American workers more health coverage choices and portability. HRAs create a great opportunity for job creators to support their employees and for those employees to be empowered to make the best healthcare decisions for their families.”

“President Trump is delivering on his promise to offer Americans more health coverage choices and lower healthcare costs. This new rule gives businesses a better way to offer health insurance to employees and allows workers to select coverage that best fits their and their families’ needs,” said Treasury Secretary Steven T. Mnuchin. “I am proud of this Administration’s efforts to curb the cost of healthcare for American workers and small businesses by expanding coverage options and spurring competition.”

Under the rule, starting in January 2020, employers will be able to use what are referred to as individual coverage HRAs to provide their workers with tax-preferred funds to pay for the cost of health insurance coverage that workers purchase in the individual market, subject to certain conditions. These conditions strike the right balance between employer flexibility and guardrails meant to protect the individual market against adverse selection, and include a notice requirement to ensure employees understand the benefit. Individual coverage HRAs are designed to give working Americans and their families greater control over

their healthcare by providing an additional way for employers to finance health insurance.

This regulation is in response to President Donald J. Trump’s Executive Order on “Promoting Healthcare Choice and Competition Across the United States,” and is part of the Trump Administration’s work to deliver more health coverage choices and lower healthcare costs for Americans. Full implementation of the HRA rule, the Association Health Plan rule, and the short-term, limited-duration insurance rule is projected to provide insurance to nearly 2 million people, on net, who would otherwise be uninsured.

Many businesses have struggled with the high costs and complex bureaucracy of providing health insurance coverage, leading to less coverage for workers. Over the last decade, a significant number of small businesses have stopped offering any health insurance to their employees. As a result, a smaller percentage of Americans working in small businesses are being covered by employer health benefits, and many are left uninsured. Moreover, 80 percent of employers that provide coverage only offer one type of health plan to their employees, leaving workers and their families with no choices and plans that may not meet their needs.

The HRA rule makes it easier for small businesses to compete with larger businesses by creating another option for financing worker health insurance coverage. The rule enables businesses to better focus on serving their customers and growing their businesses—and not on navigating and managing complex health benefit designs.

The HRA rule also increases workers’ choice of coverage, increases the portability of coverage, and will generally improve worker economic well-being. This rule will also allow workers to shop for plans in the individual market and select coverage that best meets their needs. Because HRAs are tax-preferred, workers who buy an individual market plan with an HRA receive the same tax advantages as workers with traditional employer-sponsored coverage. Further, by increasing employee options and empowering more people to shop for health plans in the individual market, the final rule should spur a more competitive individual market that

Continued on page 17

tive to join -- or to lower their prices.

To protect patients, lawmakers must balance responsibility for surprise medical bills between health plans and providers. For example, if there's no opportunity for a patient to switch to an in-network provider, like in an emergency, plans should only have to pay the in-network price. That would keep premiums low and give providers an incentive to join more networks -- both of which benefit patients.

Such a solution would also benefit the 60 percent of workers whose employers cover their health costs directly through self-funded plans.⁷ Organizations that self-insure typically contract with a conventional insurer or third-party administrator to process claims and assemble a provider network. So self-funded employers can similarly be victimized by balance bills.

A medical emergency is surprise enough. A sizeable bill from an out-of-network provider shouldn't accompany that surprise. Providers and health plans must share responsibility to ensure that doesn't happen.

Janet Trautwein is CEO of the National Association of Health Underwriters (www.nahu.org).

- 1) <https://www.modernhealthcare.com/article/20180830/TRANSFORMATION01/180839993>
- 2) <https://www.kff.org/private-insurance/issue-brief/surprise-medical-bills/>
- 3) <https://www.kff.org/private-insurance/issue-brief/surprise-medical-bills/>
- 4) <https://www.kff.org/private-insurance/issue-brief/surprise-medical-bills/>
- 5) <https://www.cbsnews.com/news/surprise-medical-bills-how-you-can-fight-back/>
- 6) <https://www.nytimes.com/2018/12/18/well/live/taking-surprise-medical-bills-to-court.html>
- 7) <https://www.kff.org/report-section/ehbs-2017-section-10-plan-funding/>

Editor's Note: Janet Trautwein's article was reprinted as an educational piece for members. This article may be shared with your clients and your legislators. Please also see the Surprise Billing Infographic on page 30. This is available in full-page and half-page formats. See the OCAHU or CAHU websites for use.



At Capitol Summit, Kaiser Permanente sponsored a site-visit to its sports medical facility!

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New HRA Regulations, continued from page 16

drives health insurers to deliver better coverage options to consumers.

In addition to allowing individual coverage HRAs, the HRA rule creates an excepted benefit HRA. In general, this aspect of the rule permits employers that offer traditional group health plans to provide an excepted benefit HRA of up to \$1,800 per year (indexed to inflation after 2020), even if the employee doesn't enroll in the traditional group health plan, and to reimburse an employee for certain qualified medical expenses, including premiums for vision, dental, and short-term, limited-duration insurance. This provision will also benefit employees who have been opting out of their employer's traditional group health plan because the employee share of premiums is too expensive.

###

Source: HHS Press Office, Press Release, June 13, 2019

Touchstone initially claimed that no patient PHI was exposed. However, during OCR's investigation, Touchstone subsequently admitted that the PHI of more than 300,000 patients was exposed including, names, birth dates, social security numbers, and addresses. OCR's investigation found that Touchstone did not thoroughly investigate the security incident until several months after notice of the breach from both the FBI and OCR. Consequently, Touchstone's notification to individuals affected by the breach was also untimely. OCR's investigation further found that Touchstone failed to conduct an accurate and thorough risk analysis of potential risks and vulnerabilities to the confidentiality, integrity, and availability of all of its electronic PHI (ePHI), and failed to have business associate agreements in place with its vendors, including their IT support vendor and a third-party data center provider as required by HIPAA.

In addition to the monetary settlement, Touchstone will undertake a robust corrective action plan that includes the adoption of business associate agreements, completion of an enterprise-wide risk analysis, and comprehensive policies and procedures to comply with the HIPAA Rules.

Item Three... On June 4, 2019, news broke on [Quest Diagnostics](#), who stated that **12 million patients may have had their personal information exposed**.

According to CNN ([Quest Diagnostics Says 12 Million Patients May have had their Personal Information Exposed](#), by Jordan Valinsky, CNN Business, June 4, 2019), the clinical laboratory company said in a release that an "unauthorized user" gained access to a system used by American Medical Collection Agency (AMCA), a billing vendor hired by a Quest contractor called Optum360.

Quest said the information that may have been exposed included Social Security numbers and medical information, but not test results.

AMCA first notified Quest on May 14 of "potential unauthorized activity" on its payment page, Quest said. Two weeks later, according to Quest, AMCA then told Quest and Optum360 more about the breach, including the number of patients potentially affected and what information was accessed.

CNN reported that Quest ([DGX](#)) said it has suspended using AMCA and that it was using "forensic experts" to examine the issue.

It also said that AMCA has not provided "detailed or complete information" about the hack, including which customers might have been affected. AMCA and Optum360 did not immediately respond to a request for comment from CNN Business.



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"We are committed to keeping our patients, health care providers, and all relevant parties informed as we learn more," Quest said in the press release.

This is a case found in the news; it has not been penalized or investigated at this time by HHS/OCR (although that is likely in the near future).

Lastly, **Item Four...**HHS released a new [Fact Sheet on May 24, 2019 on Direct Liability of Business Associates Under HIPAA](#).

The HHS Office for Civil Rights (OCR) has issued a new fact sheet that provides a clear compilation of all provisions through which a business associate can be held directly liable for compliance with certain requirements of the HIPAA Privacy, Security, Breach Notification, and Enforcement Rules ("HIPAA Rules"), in accordance with the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009. In 2013,

Continued on page 26

recent pharmaceutical lawsuit.

“CAHU is proud of their role in the significant gains California has made in reducing our state’s number of uninsured over the past several years,” stated Bruce Benton. “CAHU firmly believes SB 17 will help to sustain this progress by addressing the affordability of health care and a key driver that impacts the price of coverage. Managing drug costs and price transparency are critical for long-term quality, access and affordability of healthcare.”

At this time, CAHU also supports AB 528, which is similar to the CURES bills from previous years. CAHU is also currently reviewing AB-824. To find out more information on any of the above-stated bills, please visit the CAHU website under legislation, bill reviews.

So, in a time like this, when accusations like the pharmaceutical conspiracy of May, 2019 hits the news, it’s

certainly nice to know that NAHU and CAHU have our backs. ##

Editor’s Note: The views stated herein are that of the author, and not necessarily the views of the Orange County Association of Health Underwriters, the California Association of Health Underwriters, or the National Association of Health Underwriters.

Authors Note: Special thanks to Marilyn Monahan, Monahan Law Offices, Kelly Loussedes, Sr. VP of Public Relations, NAHU, Bruce Benton, Jim Morrison, Brad Davis, and Faith Borges from CAHU for their assistance with this article.

References: Kaiser Health News, May 13, 2019, 44 States Sue Pharma Companies Over Alleged Conspiracy to Inflate Generic Drug Prices By as Much as 1000%; Pharmacy Times, May 14, 2019, Antitrust Lawsuit Targets 20 Generic Drug Manufacturers, 15 Industry Executives Over Medication Pricing, by Gina Kokosky, Assistant Editor; Attorney General Tong Leads 44 State Coalition in Antitrust Lawsuit Against Teva Pharmaceuticals, 19 Other Generic Drug Manufacturers; State of Connecticut Attorney General Press Releases, May 14, 2019; Statnews.com, States Bring New Price-Fixing Suit Against Generic-Drug Makers, By Steve LeBlanc and Martin Crutsinger, Associated Press, May 12, 2019; CNN, Generic Drug Companies, Executives Slapped with Price-Fixing Lawsuit, by Susan Scutti, May 13, 2019.

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6th Annual Senior Summit & Golf Classic Is Coming Soon! August 27th-29th, 2019

By Maggie Stedt CSA, LPRT

OCAHU Senior Summit Chair

We are pleased to announce that registration is now open to attend our 6th Annual Senior Summit that will be held at the Pechanga Resort and Casino in Temecula, CA. Jointly held by OCAHU, IEAHU and SDAHU, this is the largest Summit for Medicare-focused agents, FMO's, GA's, Carriers including Medicare and Ancillary products and services and Physician Groups held in the country. This Summit promises to be even bigger and better than the prior years' events, thanks to our great sponsors, exhibitors and speakers!

The Summit will include 2020 plan certifications, product information, certified education classes, Social Security Insider information, Legislative Updates (Federal and State) and over 70 exhibitors! We are now finalizing all the speakers and presenters. To date you can plan to attend the following:

Certifications/Product Training with Aetna Medicare, Anthem Blue Cross, Blue Shield Promise, Brand New Day, Humana, SCAN and UnitedHealthcare, with more to be announced!

CE Classes topics include: Social Media, Strategies for AEP, Client Driven Success Planning, Your Medicare Toolbox, Maximizing Referral Based Marketing, Medicare and the Group Insurance Agent, Vertical Integration and Valued Based Health Care, with more to come!

If you are a golfer, you will want to participate in the 2nd Annual Golf Tournament and Putting Contest on Pechanga's Pechanga Golf Course on August 27th with the Awards Reception following. (There is an additional cost to participate so make sure to review the Golfing flyer included on our website and in the COIN!)

On Wednesday after coffee and a continental breakfast, we begin the day filled with speakers, certifications, CE classes, a sit-down lunch with our speakers John Greene and Pat Griffey from NAHU and Jim Morrison from CAHU. Be sure to spend some time the first day in the Exhibit Hall. Wednesday will end with our Cocktail Reception (back by popular demand). You are free to make dinner arrangements on your own following the reception.

On Thursday after coffee and continental breakfast, we swing into the full program. In addition to the certifications, we will focus on the Medicare Website and its tools, Medicare Supplements and Part D information. You will want to visit the Exhibit Hall to learn more about their products and services while you enjoy a box lunch.

There will be a Grand Prize and other prizes at the end of the day. (Must be present to win!)

To register, simply go to www.ocahu.org and under Meetings and Events, and click on the 6th Annual Senior Summit. You will also want to follow the directions to call the Pechanga Resort and Casino directly to reserve your rooms, as the special Summit rate available up to July 26th.

Whether you are a Group, Individual or Medicare focused agent you need to attend this event! You don't want to miss out on key information and the fun! We hope to see you there! ##

Capitol Summit, 2019 Photos



Above: Members from Orange County and Inland Empire enjoyed a hosted dinner out. (Thanks, Kaiser!)



Insurance Commissioner Lara (co-author of SB 572) addressed CAHU at Capitol Summit; the presentation lasted a mere 8 minutes with no questions allowed. The audience was respectful.



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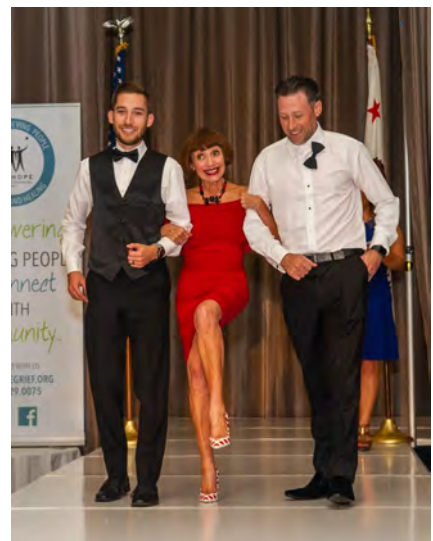
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and \$3,860 for the (b) penalty (for 2019: \$2,500 and \$3,750).

HIPAA Penalties: HHS has reduced some penalty maximums for violations of the HIPAA Privacy and Security Rules. Specifically, there are 4 categories of violations, and HHS has reduced the maximum penalties on 3 of them from the former limit of \$1,500,000 to \$25,000 (for “no knowledge”), \$100,000 (for “reasonable cause”), and \$250,000 (for “willful neglect—corrected”). The changes took effect April 30, 2019. 84 Fed. Reg. 18151 (April 30, 2019).

Some Upcoming Deadlines:

Self-funded plans must file the IRS Form 720 and pay the applicable PCORI fee by **July 31, 2019**. More information is available at this link: <https://www.irs.gov/newsroom/patient-centered-outcomes-research-institute-fee>

Form 5500s must be filed by the last day of the 7th month after the end of the plan year. For a calendar year plan, that means the Form 5500 must be filed by **July 31, 2019**. A plan may obtain a one-time extension (of up to 2 ½ months) if it files a Form 5558 on or before the normal due date for the Form 5500.

The **Summary Annual Report (SAR)** must be distributed by the last day of the 9th month after the end of the plan year. Therefore, unless the plan files for an extension for filing the Form 5500, for a calendar year plan the SAR must be distributed by **September 30, 2019**.

California: Highlights

Sexual Harassment Training: Last year, the California legislature passed S.B. 1343, which changed the rules on which employers in California have to provide sexual harassment training, and which employees have to receive that training. The changes mean that many small firms (those with 5 or more employees) will have to start providing sexual harassment training to their employees, and it must be provided by January 1, 2020. Cal. Govt. Code § 12950.1.

Under the revised law, by January 1, 2020, all employers of 5 or more employees must provide 1 hour of sexual harassment and abusive conduct prevention training to non-supervisory employees, and 2 hours of such training to supervisory employees. This training must be provided once every two years. New employees must receive the training within 6 months of their hire date. In addition, beginning January 1, 2020, if a firm hires seasonal or temporary employees—or any employee hired to work less than 6 months—training must be provided within either 30 days of the hire date or 100 hours worked,

whichever occurs first. The training shall also address harassment based on gender identity, gender expression, and sexual orientation, and may include “bystander intervention training.” The training must be provided by a qualified trainer. 2 Cal. Code Regs. tit. 2, § 11024(a)(9).

A bill is pending in the legislature this year—S.B. 778—which would delay the training mandate for one year (to January 1, 2021) and would allow employers that have provided the training in 2019 to wait 2 years before providing refresher training. However, if employers do have to provide the training this year, they should start planning now to avoid the year-end rush.

Municipalities: Highlights

Minimum Wage: A number of municipalities will impose new minimum wage levels effective **July 1, 2019**, including Los Angeles (city and county), San Francisco, Santa Monica, Pasadena, and Malibu. Employers should check local government websites to see if they may have to raise wages and update their worksite posters. UC Berkeley provides an informal reference tool that may be helpful: <http://laborcenter.berkeley.edu/minimum-wage-living-wage-resources/inventory-of-us-city-and-county-minimum-wage-ordinances/>

Editor’s Note: Marilyn Monahan can be contacted at Marilyn A. Monahan Law Office, 4712 Admiralty Way, #349, Marina del Rey, California 90292; (310) 301-3300 (office) or email her at marlyn@monahanlawoffice.com.

##

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HHS Proposes to Revise ACA Section 1557 (Non-Discrimination) Rule to Enforce Civil Rights in Healthcare, Conform to Law, and Eliminate Billions in Unnecessary Costs

On May 25, 2019, the U.S. Department of Health and Human Services (HHS) proposed regulatory reform related to regulations issued under Section 1557 of the Affordable Care Act (ACA). The proposed rule would maintain vigorous civil rights enforcement on the basis of race, color, national origin, disability, age, and sex, while revising certain provisions of the current Section 1557 rule that a federal court has said is likely unlawful. The proposal also would relieve the American people of approximately \$3.6 billion in unnecessary regulatory costs over five years.

Conforming to the Text of our Laws

In Section 1557 of the ACA, Congress directed HHS to apply existing civil rights laws and regulations to healthcare and the ACA Exchanges, including a 1972 law (Title IX) prohibiting discrimination on the basis of sex in certain federally funded programs. In 2016, HHS issued a new rule that redefined discrimination “on the basis of sex” to include termination of pregnancy and gender identity which it defined as one’s internal sense of being “male, female, neither, or a combination of male and female.”

In response to a subsequent lawsuit by several states and healthcare entities, on December 31, 2016, a federal court preliminarily enjoined the rule’s gender identity and termination of pregnancy provisions on a nationwide basis, finding them contrary to the applicable civil rights law, the Religious Freedom Restoration Act, and the Administrative Procedure Act. A second federal court agreed. Because the preliminary injunction continues to be in effect, HHS cannot, and has not since the date of the injunction, enforced the rule’s provisions the court said are likely unlawful. The proposed rule would revise the provisions subject to those injunctions to conform with the plain understanding recognized by the court.

“When Congress prohibited sex discrimination, it did so according to the plain meaning of the term, and we are making our regulations conform,” said OCR Director Roger Severino. “The American people want vigorous protection of civil rights and faithfulness to the text of the laws passed by their representatives,” said Severino. “The proposed rule would accomplish both goals.”

Continued Robust Enforcement of Civil Rights Law

Under the proposed rule, HHS would continue to vigorously enforce prohibitions of discrimination on the basis of race, color, national origin, disability, age, and sex in healthcare, as Section 1557 provides. The proposed rule would also retain protections under the 2016 regulation that ensure physical access for persons with disabilities to healthcare facilities, and appropriate communication technology to assist persons who are visually or hearing-impaired. HHS’s proposed rule would also retain protections for non-English speakers, including the right to meaningful language access to healthcare, qualification standards for translators and interpreters, and limitations on the use of minors and family members as translators in healthcare settings. Regulated entities would also continue to be required to provide written assurance to the Department that they will comply with Section 1557’s civil rights provisions and the proposed regulation.

“We are committed to full enforcement of civil rights laws before, during, and after any rulemaking,” said Severino. “We are also committed to the elimination of regulations that contradict law or raise the costs of healthcare without

Continued on page 25

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achieving intended results.”

Removing Costly and Unnecessary Regulatory Burdens

The proposed revisions would eliminate \$3.2 billion in unneeded paperwork burdens imposed by the 2016 rule. Covered entities report that the 2016 rule requires them to send billions of “tagline” notices each year informing patients and customers of their ability to have “significant documents” translated in at least 15 languages. When HHS adopted the 2016 rule, it projected notice and taglines costs of about \$7.2 million in the first five years. Because the 2016 rule did not fully account for printing and mailing costs associated with these notices and taglines, it underestimated the burden of these requirements by over three billion dollars over five years. Instead of requiring regulated health companies to mail billions of paper taglines to mostly English speakers, the money saved could be used to more effectively address individual needs of non-English speakers such as by providing increased access for translators and interpreters.

The proposed Section 1557 rule estimates an additional savings of approximately \$400 million over five years by eliminating duplicative requirements and reverting to well-established language access guidance, resulting in a total sav-

ings of approximately \$3.6 billion in the first five years after finalization.

“As a child of Hispanic immigrants, I know how vitally important it is that people receive quality healthcare services regardless of the language they speak, and this proposal grants providers the needed flexibility for achieving that goal,” said Severino. “The American people are tired of unnecessary regulations getting in the way of access to affordable healthcare, and today’s proposal would remove \$3.6 billion in regulatory burdens that are ultimately being passed down to patients,” Severino concluded.

**This HHS-approved document is being submitted to the Office of the Federal Register (OFR) for publication and has not yet been placed on public display or published in the Federal Register. This document may vary slightly from the published document if minor editorial changes are made during the OFR review process. The document that will be published in the Federal Register is the official HHS-approved document.*

**People using assistive technology may not be able to fully access information in these files at this time. For assistance, please email OCR at OCRMail@hhs.gov or contact the OCR Call Center at (800) 368-1019.*

**A Spanish version of this press release and the Factsheet will be provided in the near future.*

Source: HHS Office of Civil Rights Press Release May 5, 2019.



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HIPAA Privacy & Security Updates, continued from page 18

under the authority granted by the HITECH Act, OCR issued a final rule that, among other things, identified provisions of the HIPAA Rules that apply directly to business associates and for which business associates are directly liable.

OCR has authority to take enforcement action against business associates only for those requirements and prohibitions of the HIPAA Rules that appear on the following list.

1. Failure to provide the Secretary with records and compliance reports; cooperate with complaint investigations and compliance reviews; and permit access by the Secretary to information, including protected health information (PHI), pertinent to determining compliance.
2. Taking any retaliatory action against any individual or other person for filing a HIPAA complaint, participating in an investigation or other enforcement process, or opposing an act or practice that is unlawful under the HIPAA Rules.
3. Failure to comply with the requirements of the Security Rule.
4. Failure to provide breach notification to a covered entity or another business associate.
5. Impermissible uses and disclosures of PHI.
6. Failure to disclose a copy of electronic PHI to either the covered entity, the individual, or the individual's designee (whichever is specified in the business associate agreement) to satisfy a covered entity's obligations regarding the form and format, and the time and manner of access under 45 C.F.R. §§ 164.524(c)(2)(ii) and 3(ii), respectively.
7. Failure to make reasonable efforts to limit PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request.
8. Failure, in certain circumstances, to provide an accounting of disclosures.
9. Failure to enter into business associate agreements with subcontractors that create or receive PHI on their behalf, and failure to comply with the implementation specifications for such agreements.

Failure to take reasonable steps to address a material breach or violation of the subcontractor's business associate agreement. "As part of the Department's effort to fully protect patients' health information and their rights under HIPAA, OCR has issued

this important new fact sheet clearly explaining a business associate's liability," said OCR Director Roger Severino. "We want to make it as easy as possible for regulated entities to understand, and comply with, their obligations under the law."

OCAHU Strategic Planning Meeting 2019



Left: OCAHU outgoing President Ryan Dorigan hands off the President's Plaque and Gavel to the new president, MaryAnn Trutanich.

Below: Board members take NAHU Media Training at Strategic Planning.



For the list of new OCAHU Board members and their contact information, see pages 28 & 29!



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*Refund/Cancellation Policy: Registration fees are non-refundable either full or partial

Price Includes: 2 Day Admission for certification trainings, workshops and general admission (August 28th and 29th).

Meals included: Wednesday (28th) Lunch: Thursday (29th) Breakfast and Lunch.

Register Today: <https://guestli.st/603120>

2019-20 Board of Directors



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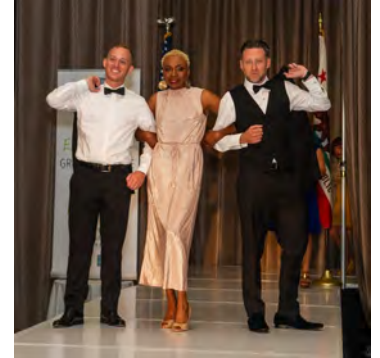


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The infographic below is available in half-page and full-page formats on the OCAHU and CA-HU websites for member use.



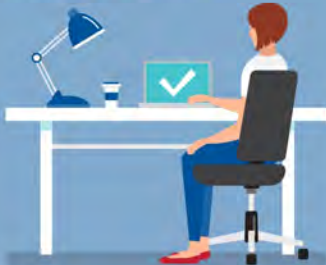
Hmmm... Just wondering... Can you have a little less fun? No, I didn't think so!



An Unwelcome Surprise Surprise Medical Bills — Here's how they may happen.

"Is my doctor in-network?"

A patient in need of care checks to see whether her providers and facility (e.g., clinic or hospital) are in-network.



"I'm covered, right?!"

It appears her providers are in-network, so she's confident her insurance will cover her treatment.



The Fine Print

Sometimes, providers who work in a clinic or hospital refuse to participate in that facility's network. So patients are often unaware they may receive care from an out-of-network specialist — say, a radiologist or anesthesiologist — at an in-network facility.



Solutions



Require any out-of-network provider to provide written notification before scheduling treatment.



Place a limit on what out-of-network providers can charge patients and plans.



Hardworking Americans need protection from surprise medical bills.



Health plans that fit every business.

You may face different business challenges today than you face tomorrow. From traditional copayment plans to plans with cost-sharing arrangements, we'll help you find a solution that fits the needs of your business no matter how they evolve. Learn more at kp.org/choosebetter.

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- THE C.O.I.N. -

Please join us at our events!

SCHEDULE OF EVENTS:

August 27, 2019, Senior Summit Golf Tournament and Putting Contest, Pechanga Golf Course, Temecula, CA.

August 28 & 29, 2019, Senior Summit, Pechanga Resort & Casino, Temecula, CA. See ad page 27.

September 10, 2019, OCAHU CE Day, Hyatt Regency, John Wayne Airport, 4545 MacArthur Blvd., Newport Beach, CA.

October 8, 2019, OCAHU Monthly Meeting, Hyatt Regency, John Wayne Airport, 4545 MacArthur Blvd., Newport Beach, CA.