

## ACA Today

### MILLIMAN RECENTLY PUBLISHED THEIR 2016 MILLIMAN MEDICAL INDEX (MMI) ANALYSIS ON HEALTHCARE COST TRENDS

Key findings from the report:

- In 2016, healthcare costs for a family of 4 covered by an employer-sponsored PPO plan is \$25,826.
- The cost of care for the typical American family of 4 has tripled since it was \$8,414 in 2001.
- Prescription drug expenses grew at 9.1% from 2015 to 2016, a lower rate than 2014's 13.6% increase.
- In 2016, the MMI family's prescription drug costs will reach \$4,270.
- At \$11,033, employee total costs increased by 5.3% from 2015, while employer costs increased 4.2%.

### SPECIALTY DRUGS CONTRIBUTED ANOTHER \$87 ANNUALLY PER ENROLLEE IN 2014 – MCOL

Blue Cross Blue Shield recently conducted an analysis on the high cost of specialty drugs. Here are some key findings from the report:

- Specialty drugs contributed another \$87 annually in costs per enrollee whether or not they used them
- Spending on specialty drugs jumped 26% in 2014 due to new hepatitis C pills like Sovaldi

- Prescription drug spending overall jumped 12.6% in 2014 and 7.6% in 2015
- Drug spending on inflammatory conditions grew by 29%, resulting in a \$22 annual increase per member

### AVERAGE OBAMACARE TAX WILL HIT \$969 IN 2016 – MONEY

To make sure Americans get health insurance, the Affordable Care Act offers both carrots and sticks.... Skip out on coverage and you can get hit with a tax. And that tax keeps going up.... people who remain uninsured in 2016 will owe an average of \$969 in 2017 – a 47% increase.

### CONGRESS MEMBERS TARGET EMPLOYER TAX BREAKS FOR HEALTH CARE PREMIUMS – BUSINESS INSURANCE

While employers have been sweating the Cadillac tax, some health benefits experts say growing congressional sentiment to reduce or eliminate the tax breaks for employer-sponsored health insurance could pose an even greater threat to the group insurance market. There's "growing energy in Congress about tax reform and tax policy, and with employer-sponsored health care plans and retirement plans being the top two expenditures from a tax basis, it's front and center."

**NEW EEOC RULES FOR WELLNESS PROGRAMS: A 30 PERCENT INCENTIVE = VOLUNTARY – LABOREMPLOYMENTPERSPECTIVES.COM**

On May 16, 2016, the EEOC issued two final rules which provide guidance to employers on how they may offer voluntary wellness programs to employees... According to the rules, which become formally effective on January 1, 2017, an employer may offer up to 30 percent of the total cost of self-only health plan coverage to an employee as an incentive to participate in a wellness program. If the employer offers more than one plan, the 30 percent applies to the lowest cost plan.

**ADVOCACY GROUPS CALL FOR TRANSPARENCY DURING FINAL REVIEW OF AETNA-HUMANA MERGER – BECKER'S HOSPITAL REVIEW**

National and Missouri-based advocacy groups are asking Director of the Missouri Department of Insurance, John Huff, to publicly complete the final review of the Aetna-Humana merger.... On May 24, Missouri's DOI barred the merger, citing the acquisition would decrease competition.... Officials directed the insurers to stop selling comprehensive individual and small group plans as well as some Medicare Advantage plans if the \$37 billion merger moved forward.

**IRS DOUBTED LEGALITY OF OBAMACARE PAYMENTS, FORMER OFFICIAL SAYS – THE HILL**

The IRS raised concerns in early 2014 about the legality of certain ObamaCare payments that Republicans are now challenging in a lawsuit.... The IRS which is responsible for distributing the payments, pointed out the lack of an explicit appropriation for the cost-sharing reduction.

**OBAMACARE HAS LED TO A RISE IN INVOLUNTARY PART-TIME EMPLOYMENT, GOLDMAN SACHS FINDS – MARKETWATCH**

The Affordable Care Act's employer mandate has at least modestly led to a rise in involuntary part-time employment.... "We would estimate that a few hundred thousand workers might be working part-time involuntarily as a result of the Affordable Care Act," said Alec Phillips, an economist at an investment bank.

**FTJ BENEFIT SOLUTIONS**

FTJ has the proven ability to provide efficient and sustainable employee benefit and retirement savings programs through our work with over 200 employer clients—including assistance with pertinent ACA issues and strategies. For additional information on our services, please contact your Regional FTJ Representative or Dale Johnson at 800-821-7303, ext. 1440, or email [djohnson@ftj.com](mailto:djohnson@ftj.com).

*This publication contains information in summary form and is therefore intended for general guidance only. FTJ is not, by means of this publication, rendering business, legal, or other professional advice or services. This publication is intended to be viewed only by FTJ's business associates and appointed agents. Distribution to anyone else is strictly prohibited. If you have any questions regarding the information provided in this publication, please consult your legal counsel for advice.*