

# Herald

Spring 2011

## We have a new look!

As many of you know, Sanford Health adopted a new image/brand to reflect the merger of Sanford Health and MeritCare Health System as one organization. In addition, we're excited to announce that Sanford Health Plan also received a new tagline, color, image and design! Our new look not only captures the essence and personality of our parent organization, but also the identity of Sanford Health Plan. You will continue to see our new identity which will be phased into our marketing pieces and website over the next year.

## Jason Hubers assumes Health Plan Executive Vice President role

Jason Hubers was recently named Sanford Health Plan's Executive Vice President. Jason has 30 years of experience in the insurance realm, including a focus on employee benefits and 16 years of retail sales in life insurance, health insurance and employee benefits. Over the last 14 years he demonstrated skill and expertise in wholesale insurance as President of Great Plains Brokerage, the sales branch of Sanford Health Plan.

Jason has played an important role in Sanford Health Plan from day one, including making the very first Health Plan sale. In September, he officially assumed the new role of Executive Vice President of Sanford Health Plan. He now oversees the day-to-day functions of the Health Plan, including sales management, finance, information systems, operations and product development. Jason also serves on the Sanford Health Foundation Board.

## myHealthPlan for employers - obtain an account today!

Sanford Health Plan recently replaced our Digital Health Plan with "myHealthPlan for Employers". With an employer account through myHealthPlan, you get convenient, secure and efficient access to the detailed information you need to manage your organization. You will have instant access to resources that will help answer questions from your employees and connect them with the information they need including the ability to:

- View member eligibility, as well as benefit summaries for the member
- Print medical and flex claim forms
- Order Replacement ID Cards
- View Preventive Health Guidelines
- Print Provider Nomination Request Forms

See the attached PDF for instructions on obtaining an employer account today!

## Reminders for 2011

If you have a flex plan, you are now aware that effective January 1, 2011, flex participants cannot send in receipts for over the counter drugs and medicines unless a doctors prescription is attached for the drug or medicine (exception: insulin). This new law does not apply to medical supplies such as bandaids, contact solution, etc. These items can be reimbursed without a doctors prescription.

Also new this year came IRS Announcement 2001-14 (dated February 28, 2011), which the IRS concluded that breast pumps and supplies that assist lactation are medical care under § 213(d) of the Internal Revenue Code. Because, like obstetric care, they are for the purpose of affecting a structure or function of the body of the lactating woman, they are now considered eligible to be reimbursed from flexible spending accounts.

The Sanford Health Plan Formulary was updated for 2011. You may find a copy of our updated Formulary on our website at [www.sanfordhealthplan.com](http://www.sanfordhealthplan.com). If you would like a copy mailed to you, please call Member Services at (605) 328-6800 or 1-800-752-5863.

## Sanford Health Plan's Commitment to Quality Recognized

Sanford Health Plan is dedicated to providing quality group health insurance and supporting wellness programs. Now, it is being recognized for that dedication with the highest accreditation. The National Committee for Quality Assurance (NCQA) has honored Sanford Health Plan's HMO with the highest achievement: Excellent Accreditation.

"This accreditation is considered the gold standard within our industry," explained Michael Crandell, MD, Chief Medical Officer for Sanford Health Plan. He said, "The Excellent Accreditation supports the Sanford Health Plan mission to provide quality insurance to our commercial HMO clients."

The NCQA Accreditation is a voluntary process which includes a rigorous two-day, onsite review by trained surveyors, including physicians. A national panel reviews the surveyor's findings and issues one of five accreditations.

According to the NCQA, the standards are purposely set high to encourage health plans to continuously enhance their quality. They are intended to help organizations achieve the highest level of performance possible, reduce patient risk and create an environment of continuous improvement. "The accreditation process provides our consumers and purchasers the ability to evaluate the quality of different health plans through a variety of dimensions, not just cost alone," said Dr. Crandell.

NCQA also reviews health insurance plan performance in five categories. Sanford Health Plan received four out of four stars for access and service, qualified providers and getting better categories. It received three stars for staying healthy and living with illness.

"It is partly a health plan's members that determine whether it earns NCQA's Excellent Accreditation status. Any plan that does so should be proud of its accomplishment. It



is a sign that the plan is delivering great service and great care – it's met the toughest test in managed care," said Margaret E. O'Kane, President, NCQA.

In addition to the Excellent Accreditation and the high report card scores, Sanford Health Plan also achieved Distinction in Member Connections as well as Care Management and Health Improvement. Distinction is the designation given to health plans that have achieved one or more areas of Quality Plus.

Quality Plus is an NCQA program that provides consumers and employers with information on how well plans communicate with members, use technology, reward quality and promote wellness and disease management.

## Please complete the Medicare Secondary Payer Information Request Form

In the last edition, we released a new Medicare Secondary Payer Information Request form. If you receive this from our Client Services Department, please complete and return this in a timely manner. The purpose of this form is to enable Centers for Medicare and Medicaid (CMS) to correctly pay for the services provided to Medicare beneficiaries who also receive employer sponsored health benefits. Section 111 information helps the Medicare program determine primary versus secondary payment responsibility. If you are an Employer offering group health plan insurance coverage to your employees, your group health plan insurer or Third Party Administrator (TPA) is required to report health insurance information about your employees to CMS. Prompt employer cooperation with its group health plan insurers or TPAs will prevent Medicare from making mistaken payments. Fewer mistaken payments made by Medicare will result in fewer recovery actions against employers. If an employer does not provide its group health plan insurer or TPA the information necessary and required for Section 111 reporting, the employer is putting its group health plan insurer or TPA at risk for non-compliance with the Section 111 reporting requirements.

Thank you in assisting us with the compliance of this important requirement!!

## New Chiropractic Mandate

During the 2011 legislative session, South Dakota lawmakers voted to limit copayment or coinsurance amounts for chiropractic services. The new law, effective July 1, 2011, states that health insurers are prohibited from imposing copayment or coinsurance amounts for services provided by a licensed chiropractor greater than copayment or coinsurance amounts for services provided by a primary care physician or practitioner for the same or similar diagnosed condition. This new law applies to fully-insured large and small group plans, and individual insurance plans; it does not apply to self-insured employer group plans.

## Adult age dependent eligibility

As you recall, the Patient Protection and Affordable Care Act (PPACA), requires insurance companies to cover adult dependents up to the age of 26.

### Grandfathered Status

If you are a self-funded plan, the student eligibility criteria may differ from what is stated below. Please review your Summary Plan Description to determine your Plan's requirements for adult dependent coverage. If your plan is considered Grandfathered, adult dependents are not eligible to re-enroll in their parent's plan if they are eligible for coverage under their own/or their spouses employer's group plan. For example, the adult child is employed and is eligible for coverage under his/her employer's group health plan or spouse's group health plan, he/she may not be covered under the parents plan.

### Criteria for Eligibility

The adult dependent is eligible to become a covered person under the employee's Policy if (s)he is under age 26 and related to the employee as a child. The adult child's marital status, financial dependency, residency, student status or employment status will not be considered in determining eligibility for initial or continued coverage. However, this coverage does not apply to the spouse or children of a dependent (i.e. your grandchildren).

State laws still interact with PPACA. Consequently, in order to continue coverage beyond the age of 26, Sanford Health Plan will continue to do student verifications to ensure full-time student status.

### What if an adult dependent has other coverage offered but is actually a full-time student?

It depends on the age of the dependent. The following State laws mandating dependent coverage for full-time students still apply when determining eligibility.

**South Dakota** Full time students can remain on their parent's plan through age 29 regardless of whether or not they have access to their own employer group coverage.

**Minnesota** Unmarried children can remain on their parent's plan up to age 26 regardless of whether or not they have access to their own employer group coverage or whether they're a full-time student.

**Iowa** Full time students ages 26 and older can remain on their parent's plan indefinitely, regardless of whether or not they have access to their own employer group coverage.

**North Dakota** Full time students can remain on their parent's plan up to age 26 regardless of whether or not they have access to their own employer group coverage.

### What is the definition of full time student?

The school's definition of "full time" student is used by Sanford Health Plan.

### Will the dependent be covered during the summer recess?

A current student will not be challenged as to their intentions of returning to school after summer recess and will remain covered during the summer months.

A graduating college senior will be carried through the summer recess **ONLY** if the student can provide documentation to support their intention to return to college for post graduate work.

### When will the dependent's coverage end?

If a current student age 26 or older decides not to return to school following summer recess their coverage will end the earlier of either the last day of the month in which they ceased being a full time student or the date at which they turned 26 (i.e. last day of school was May 22 – last day of coverage is May 31).

A graduating student with no intentions of returning to school, will be covered through the end of the month in which they graduate (i.e. graduation is May 19 – last day of coverage is May 31).

### What documentation must be provided to the health plan as proof of full time student status?

Sanford Health Plan validates full-time student status for students ages 26 and older using a national clearinghouse for participating schools. However, if we are unable to verify student status online we will accept any document, which in good faith, provides an indication that the dependent is enrolled as a full time student at an accredited educational institution (i.e. a paid tuition receipt, a class schedule, a letter from the institution's Registrar).

### Who is responsible for providing documentation of full-time student status?

It is the employee's responsibility to provide documentation of their dependent's full-time student status to Sanford Health Plan.

### If the dependent is no longer a full-time student, how can he/she continue coverage?

It is the employee's responsibility to notify the employer's Human Resources Representative or Sanford Health Plan within 31 days if their dependent ceases to be a full time student. COBRA coverage may be available for up to 36 months.

If you have questions regarding enrollment or student eligibility, please contact Member Services at (605) 328-6800 or 1-800-752-5863.

## IRS issues guidelines on W-2 health coverage reporting

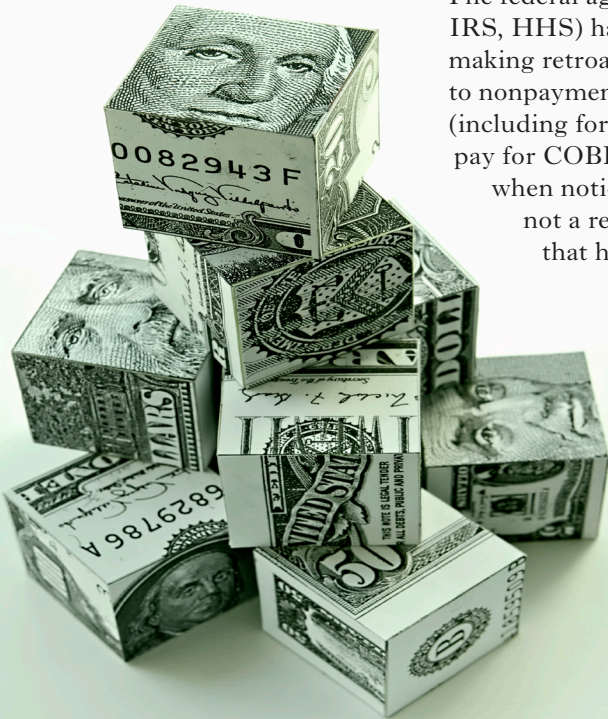
One of the requirements of the Affordable Care Act is that all employers are required to report the cost of employer-provided health care coverage on the W-2 forms that employees receive prior to filing their taxes for the previous year. The IRS released a notice (found at: [www.irs.gov/pub/irs-drop/n-2010-69.pdf](http://www.irs.gov/pub/irs-drop/n-2010-69.pdf)) last fall making this requirement optional for all employers for 2011 W-2 forms in order to give employers time to update their payroll systems. The IRS issued another notice (found at: [www.irs.gov/pub/irs-drop/n-11-28.pdf](http://www.irs.gov/pub/irs-drop/n-11-28.pdf)) on March 29, 2011 providing further relief for smaller employers by making this requirement optional for 2012 and until further guidance is issued. The IRS defines smaller employers as those who issue fewer than 250 W-2 forms for the calendar year. Larger employers will be required to report the cost of employer-provided health care coverage, which includes what the employer paid and what the employee paid, for the 2012 W-2 forms. Answers to frequently asked questions can be found at [www.irs.gov/newsroom/article/0,,id=237894,00.html](http://www.irs.gov/newsroom/article/0,,id=237894,00.html).

### Rescinding Coverage

You may recall that the Affordable Care Act prohibits rescissions (i.e. cancelling or discontinuing coverage retroactively) except in cases of fraud or material misrepresentation of a material fact. Even when there is fraud or misrepresentation, plans must give at least 30 days' advance written notice of a rescission. To understand this regulation, let's examine one common example:

Your employee fails to inform you he divorced his wife six months ago and your plan does not cover divorced spouses except through COBRA. You want to cancel the ex-wife's coverage back to the effective date of their divorce, can you do this? The answer is yes, because the divorced spouse did not elect COBRA and pay the COBRA premium, therefore canceling coverage retroactively in this instance would not constitute a rescission under health care reform.

The federal agencies (DOL, IRS, HHS) have clarified that making retroactive changes due to nonpayment of premiums (including for failure to elect and pay for COBRA after divorce when notice is not given) is not a rescission. This means that health care reform would not prohibit your plan from retroactively terminating coverage, nor would it require 30 days' advance notice of the termination.



## Welcome New Groups

Arthur, ND  
Woodhaven Plaza LLP

Bismarck, ND  
Sarah Vogel Law Partners, P.C.

Fargo, ND  
Robert A Bond DDS  
Progressive Ag Marketing Inc.  
International Marketing Systems, LTD  
Schumacher SE LTD  
Dakota Latitudes, LLC  
Rilie Raymond Morgan GPF-ICA LLC  
Alliance Software, Inc.

Lisbon, ND  
Berubus Inc  
Beverly Anne Inc.  
Henricks Heating & Air  
Lance Gulleon Insurance Agency Inc.  
Lisbon Chiropractic Clinic

Rutland, ND  
Rutland General Store

Stanley, ND  
Avery Enterprizes, Inc.

West Fargo, ND  
OLR Transportation Inc.

Brookings, SD  
Kleinjan Chiropractic LLC

Huron, SD  
Stoneybrook Inc

Sioux Falls, SD  
Jarrod Smart Construction  
Richard C. Flugge CPA  
Siems Tire and Service LLC  
South Dakota Achieve

Waverly, SD  
Waverly School District



## Online Access for Employers

Sanford Health Plan is your partner in administering your health insurance benefits and we strive to make it as easy as possible. With myHealthPlan you get convenient, secure and efficient access to the detailed information you need to manage your organization!

- View member eligibility and the benefit summaries for the member
- Print Medical, Prescription Drug or Vision Claim Forms
- View Preventive Health Guidelines
- Print Provider Nomination Request Form

### Follow these simple steps to obtain an HR Account:

1. Go to [sanfordhealthplan.com](http://sanfordhealthplan.com), click on “Employers”.
2. Click on “Access myHealthPlan”, then “Employer sign-up”.
3. Click on “Agree” to the License Agreement.
4. Fill in all the fields for Personal Information and click “Next.”
5. Fill in all fields for Account Information and click “Finish.”
6. Registration is now complete. Click “here” to proceed to the secure site.
7. Click on “Request Employer Services Approval” then “Request Approval.”
8. Click to “Request Online Access.”
9. Verify your information is correct and check the box indicating you understand the account approval process and “Submit.”

### Congratulations

You’re registered! Upon approval of Sanford Health Plan, you will receive a notification by email within 2 business days.

Register now!  
[www.sanfordhealthplan.com](http://www.sanfordhealthplan.com)

**SANFORD**  
**HEALTH PLAN**

myHealthPlan