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Arizona Association of Health Underwriters

Legislative Newsletter

September 2018

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SAVE THE DATE!

DAY AT THE CAPITOL- FEBRUARY 7, 2018

Historic Supreme Court room at the Capitol

AAHU members, stand together and make our voices heard.

There is a lot happening in our industry, make sure your voice is amongst the crowd. By attending AAHU's Day at The Capitol, you will have the opportunity to join with your colleagues from around the state to lobby for changes of importance in your community. You will also get to hear from exciting speakers, stakeholders, and network with your peers.

Upcoming Events

October 2018

GPAHU Monthly Luncheon
Michael Lubin- Direct Primary Care

Date: October 16, 2018

Phoenix Country Club
2901 N. 7th St

Phoenix, AZ 85014

11:30 am to 1:00pm

[Register Here](#)

SAAHU Monthly Meeting

David C Smith REBC

Health Insurance Person of the Year

Date: October 16, 2018

Sheraton Tucson

5151 E. Grant Road

Tucson, AZ 85712

8:00 am to 10:00 am

[Register Here](#)

AAHU Save the Dates

AAHU Day at the Capitol

ASSOCIATION HEALTH PLANS

AHP's are already available in Arizona.

The October 2017 Executive Order (EO) created new rules and regulations on forming new AHP's, the existing AHP's are grandfathered. All AHP's continue to be regulated under State insurance laws, fully insured and self-insured.

To review, the AZ DOI oversees fully-insured benefit plans and self-insured MEWA's. AHP's are MEWA's, therefore regulated by the State regardless of funding type, and the EO does not pre-empt State regulation.

We had the opportunity to meet with the AZDOI, their current position is to remain neutral and not address anything outside the current AZ statutes.

The [current lawsuit](#) will most likely impact their direction, as will direction from Governor Ducey's office. Additionally, based on the election cycle, and current legislative directives, it does not appear there will be much appetite to address anything different soon.

Here are a few things to know on [AZ Statutes](#), which differ from the EO.

Save the Date

Date: February 7, 2019
 Historic Supreme Court Room
 at the Capitol
 1700 W. Washinton
 Suite 200
 Phoenix, AZ 85007
More Details Coming Shortly

AAHU Annual Symposium**Save the Date**

Date: May 2, 2019
 Phoenix Airport Marriot
 1101 N. 44th St.
 Phoenix, AZ 85008
 8:00 am start
More Details Coming Shortly

1. On or before January 1 of each year, every association that qualifies as a bona fide association shall file a statement with the director that certifies that the association:
 1. Has been in active existence for at least five years.
 2. Has been formed and maintained in good faith for purposes other than obtaining insurance and does not condition membership in the association on the purchase of insurance that is sponsored by the association.
 3. Insures at least twenty-five members, employees or employees of members of the association for the benefit of persons other than the association or its officers or trustees. (note, it does not mention independent contractors. Groups of 2+ still apply).

To summarize, the EO is not changing your ability of creating an AHP, it is changing how you would create an AHP. There are requirements of a Board, Bylaws, and process, coupled with convincing carriers they want to underwrite the risk.

If you haven't already, stay up to date on your NAHU portal, specifically the [AHP Page](#) where you can find the [podcast from Janet Trautwein](#), NAHU's CEO.

*Thank You To Our
 Loyal Sponsors! for
 2018*

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AAHU Save the Dates

AAHU Day at the Capitol
Save the Date
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 Historic Supreme Court Room

EMPLOYER MANDATE

House Republican's proposed suspension of the employer mandate [H.R. 3798](#), "Save American Workers Act", was scheduled to come to a vote the week of September 10th, 2018; however, was delayed due to Florence. If it passes the House, it is unlikely it will move through the Senate this year. It includes:

- *Suspension of the employer mandate*
- *An additional delay in the Cadillac Tax until 2023*
- *Employee eligibility from 30 hours to 40 hours*
- *And repeal the 10% indoor tanning tax.*

CBO estimates it will add \$58B to the deficit over 10 years which will most likely impact how the Senate views the legislation; the Senate Finance Committee will need to introduce a companion package. Movement on this bill is happening as pressure has mounted as the IRS has been collecting penalties form 2015, assessments ranging between \$700K and \$4M for the PY 2015.

INDIVIDUAL MANDATE

at the Capitol
1700 W. Washinton
Suite 200
Phoenix, AZ 85007
More Details Coming Shortly

Remember, the penalty associated with the Individual Mandate was repealed effective after December 31, 2018. The employer shared responsibility provisions remain.

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SHORT-TERM HEALTH PLANS

The October Executive Order also addresses Short-Term Limited Duration Insurance. Listen to [Marcy Buckners podcast](#) for detail on the final rule, keep in mind State Statute will continue to govern.

Arizona Revised Statutes Title 20. Insurance § 20-1379

. Guaranteed availability of individual health insurance coverage; prior group coverage; definitions



"Short-term limited duration insurance" means health insurance coverage that is offered by a health care insurer, that remains in effect for no more than one hundred eighty-five days, that cannot be renewed or otherwise continued for more than one hundred eighty days and that is not intended or marketed as health insurance coverage subject to guaranteed issuance or guaranteed renewal provisions of the laws of this state but that is creditable coverage within the meaning of this section and § 20-2301.

The first available effective date with the above requirements is October 2, 2018.

MINI-COBRA

AZ Senate Bill 1217, approved by the Governor April 10, 2018 will take effect for plans issued or renewed on or after January 1, 2019. Basic details:

- Employer groups of 2-19 beneficiaries.
- Enrollee must be enrolled for a minimum three months.
- Continuation available for fully-insured "Health Benefit Plans" only.
 - "Health benefits plan" (Title 20, Chapter 13, Sec 20-2301) means a hospital and medical service corporation policy or certificate, a health care services organization contract, a





group disability policy, a certificate of insurance of a group disability policy that is not issued in this state, a multiple employer welfare arrangement or any other arrangement under which health services or health benefits are provided to two or more individuals. Health benefits plan does not include the following:

- Accident only, dental only, vision only, disability income only or long-term care only insurance, fixed or hospital indemnity coverage, limited benefit coverage, specified disease coverage, credit coverage or Taft-Hartley trusts.
 - Coverage that is issued as a supplement to liability insurance.
 - Medicare supplemental insurance.
 - Workers' compensation insurance.
 - Automobile medical Payment insurance
- Provide continuation to an enrollee and qualified dependent
 - 30 day written notification period after the qualifying event.
 - A written communication or notice postmarked within 44 days after the qualifying event.
 - Notice to the enrollee equals notice to the qualified dependent, unless the employer knows a dependent resides at a different address to which a separate notice is required.
 - Admin fee cannot exceed 5% of billed premium.
 - Enrollee and/or qualifying dependent must elect in writing 60 days after the date of the notice, with one-month premium submitted 45 days after election.
 - If Employer fails to provide timely or accurate notice of the right to continue, the enrollee or qualifying dependent has 120 days after the date of the notice to elect and pay the premium.
 - No lapse in coverage.
 - 30-day advance-notice premium change if the plan is undergoing a renewal
 - Lessor of: 18 months coverage, non-payment of premium, Medicare eligibility, Medicaid eligibility, enrollment in other coverage, Plan termination, and child age out.

There are details to review [here](#)

2018-2019 Theme:**Protect Your
Future****SURPRISE BILL**

AZ Senate Bill 1441, Approved by the Governor April 24, 2017 will take effect January 1, 2019. This is the bill which will allow a health plan enrollee to ask for help in settling a "Surprise out-of-network bill" the enroll receives from an out-of-network provider.

"Surprise out-of-network bill" means a bill for a health care service that was provided in a network facility by a health care provider that is not a contracted provider and that meets one of the requirements listed in section 20-3113:

1. A bill for a health care service that was provided in a network facility by a health care provider that is not a contracted provider must meet one of the following requirements to qualify as a surprise out-of-network bill:
 1. The bill was for emergency services, including under circumstances described by section 20-2803, subsection A and health care services directly related to the emergency services that are provided during an inpatient admission to any network facility.
 2. The bill was for a health care service that was not provided in the case of an emergency and the health care provider or the provider's representative did not provide to the enrollee, or did not provide to the enrollee within a reasonable amount of time before the enrollee received the services, a written dated disclosure that contained the following information
 1. Notice that contains the name of the billing health care provider and that states the health care provider is not a contracted provider.
 2. The estimated total cost to be billed by the health care provider or the provider's representative.
 3. Notice that the enrollee or the enrollee's authorized representative is not required to sign the disclosure to obtain medical care but if the enrollee or the enrollee's representative signs the disclosure, the enrollee may have waived any rights to dispute resolution under this article.
 3. The bill was for a health care service that was not provided in the case of an emergency and the enrollee received the disclosure prescribed in paragraph 2 of this subsection, but the enrollee or the enrollee's authorized representative chose not to sign the disclosure.
2. Notwithstanding any provision of this article, a health insurer and any health plan offered by a health insurer shall comply with chapter 17, article 1 of this title.

There is a comment period continuing through September 30, 2018 on the proposed rules to clarify the process. Comments on the rules should be submitted

to: public_comments@azinsurance.gov

Details can be found [here](#), and [here](#).



Make sure to register for NAHU's podcasts on [Stitcher](#) or [iTunes](#).



OTHER NEWS

The Treasury Department has moved to [clear-up confusion](#) on the limitations to certain employers of the 20% deduction for pass through businesses. This clarification states Insurance Agents and Brokers are eligible for the exclusion.

[Bloomberg reported](#) the DOJ is moving closer on the approval of CVS's takeover of Aetna Inc; The Cigna / Express Scripts received approval.

Senator Jon Kyl made a brief statement he would have given a thumbs up on ACA repeal, something Senator John McCain opposed.

Thank you,

AAHU Legislative Co-Chairs- Jenn Farrell and Peter Rowe

Be sure to visit us at www.azahu.org

Arizona Association of Health Underwriters, P.O. Box 775, Tempe, AZ 85280

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