



UTAH ASSOCIATION OF HEALTH UNDERWRITERS

Dear Utah UAHU Members:

Martine Smith and I recently traveled to NAHU's National Convention in Albuquerque, NM. As the State chapter's President-Elect, I hope to provide you with some insight, takeaways and highlights from the conference.

First and foremost, the highlight of the trip was accepting the **Landmark Achievement Award** on behalf of the UAHU Board and membership (you). There were only three chapters in our category to receive this award. The award honors state chapters for outstanding achievements and excellence in serving their members and industry. This award is a positive reflection on the work the State's board is doing and the value you're receiving from UAHU.

Convention Insights & Takeaways:

NAHU's influence in Washington, DC is at its highest levels ever.

Our voice is being heard.

NAHU is fighting for us! They've succeeded at -

Allowing states to define their own large-group market

Repeal of employer auto-enrollment

Two year delay of Cadillac tax and delay of health insurance tax

Stopped Medicare premium and deductible increases

NAHU is fighting for us! They're working on -

Discouraging Republican legislatures from supporting capping or excluding the tax favorability of employer-sponsored health premiums

Discouraging Democratic legislatures from supporting a single-payer system

Legislation to remove broker commission from medical loss-ratio

As commissions continue to be compressed by the carriers we need to prepare mentally for the day when we charge fees for our services. Brokers need to allow clients and the market to determine our value not the insurance companies.

I hope you find this information helpful. May we all appreciate what NAHU and UAHU are doing to protect our industry and livelihood.

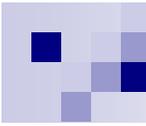
Best regard,
Craig Paulson

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2016—2017 Board Members:

President: Rob Sautter; President Elect: Craig Paulson; Vice President: Trenton Olson; Immediate Past President: Craig Symes; Secretary: Crystal Cowley; Treasurer: Lynn Strate; Awards Chair: Beverly Holloway; Communications Chair: Rayna Simmons; professional Development Chair: Loraine Sundquist; HUPAC Chair: Matt Spencer; Media Relations Chair: Bart Tapp; Legislative Co-Chair: Randy Allred; Legislative Co-Chair: Tim Jackson; Membership Recruitment Chair: Brian Christensen; Membership Retention Chair:Carolynn Badger; Executive Director: Martine Smith; Northern Chapter President: Doug Bronson; Southern Chapter President: Jeff Hyde; Salt Lake Valley Chapter: Rob Sautter; Lobbyist: Mike Sonntag; Health Policy Consultant: Tim Gill.



Legislative team report

Summer Task Force Meetings- Thank you Rep Dunnigan. Our summer has been filled with Task Force meetings and Sub-committees of the health care task force. The good news is some real problems and solutions are being sought to present to the coming 2017 legislature

Health Care Task Force

Sub-Committees

1-Telehealth- This issue has the potential to substantially reduce the cost of health care delivery. There are some potential problems that need to be figured out and most of them have to do with money. How are doctors paid and how are carriers billed? The Task force has heard several testimonies on the new exciting frontiers in this field.

2-Balance/Surprise Billing. Most of you have received a request on the balance billing issue to relate your experiences. This has been most helpful. This issue not surprisingly has developed some tough snags. Everyone has a little or a lot of blame to go around depending on your spot in the chain. Even the patients share some blame. The balance billing stories that the brokers have related are creating awareness to a problem that some did not feel existed. We have met weekly with lots of homework. The Insurance Department has come up with rules to address the issue under the title of Network Adequacy. There are still some substantial issues to overcome. How to keep the insured/patient out of the payment battle? How to make docs join a network, specifically anesthesiologists when they refuse? How do you require an insurer to pay out of network balance billing? How do you require self-insureds to pay bills? If the law requires Docs to accept payment where is their incentive to join a network? We should at the very least come up with a system that leaves the patient out of the battle.

3- HMO-PPO There is a proposal arising out of an issue last legislative session when Athletic Trainers wanted to remove the prohibition on billing insurance. This legislation would have applied only to Blue Cross Blue Shield. This inequity led to the idea of combining PPO and HMOs statutes and then reforming the whole health care regulation. This is a daunting task but the code has been cobbled together for many years and suffered several stalemates. It is time to clean up the language but as every stake holder is saying, "as long as it is my reform". We will keep an eye on the task and provide input. We are extremely fortunate that Rep. Dunnigan is leading the discussion.

Other issues that are percolating

Carriers Rating for commission but not paying them. Not a problem with our major carriers, there is a problem brewing nationally. I have met with the insurance Department and they are researching the issue and it is looking good for us. We may have to sponsor legislation to prevent the practice.

Election Year

This year is a new issue. We are looking for legislators that support the free market and side with Agent issues and protecting the market place. There are those Legislators that actively speak up for our industry and see the value of insurance agents. **If you have a special relationship with your legislator, please let the legislative chairs know.**

Some examples of coming legislation:

Expanding Medicaid.

Insurance Mandates such as baby formula, athletic trainers, exercise physiologists.

Legislation will be back tweaking non-compete clauses.

Legislation Doing away with licensure requirements for many professions including insurance Agents

Commission disclosure, and stop loss insurance will also like reappear.

There is plenty to keep us busy. Please lend your support when you can.

The Legislative team.

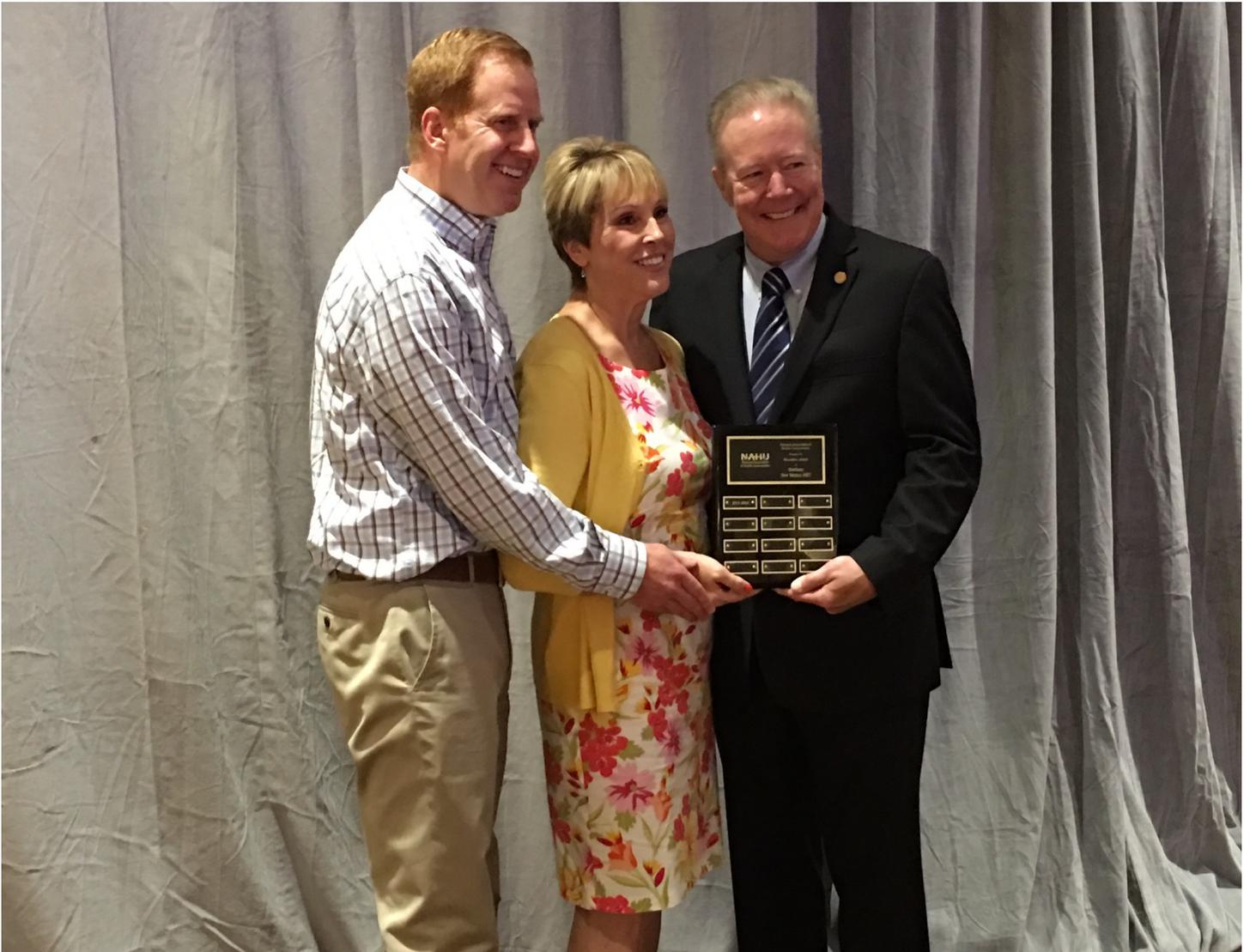
Co-Chairs: Randy Allred & Tim Jackson

Lobbyist: Mike Sonntag

CONGRATULATIONS UAHU!!!

UAHU was awarded one of 3 landmark awards in our size category during the NAHU Awards Breakfast.

Thanks to Beverly Holloway for all the hard work!!! Thank you to Craig Symes for catching the vision! We are a better chapter than we were a year ago. Let's continue to improve serving our members by stretching ourselves a little more this coming year.



EMPLOYEE BENEFIT COMPLIANCE CHECKUP

In this and future editions, we cover critical areas of consideration in keeping your health and welfare benefit plans fully compliant..

Plan Administrators

All plan administrators and individuals managing benefits must follow fiduciary requirements, looking out for the best interests of participants while managing plans to comply with all requirements and must follow these fiduciary requirements:

- Making sure participants receive promised benefits;
- Establish and maintain plans in a fair and financially sound manner;
- Manage plans for the exclusive benefit of participants and beneficiaries;
- Carry out their duties in a prudent manner and refrain from conflict of interest;
- Fund benefits in accordance with the law and plan rules;
- Report and disclose information on the operations and financial condition of plans to the government and participants; and
- Provide documents required in the conduct of investigations to ensure compliance with the law

Fiduciary Bond

If the plan administrator's duty or activity creates a risk in which funds or property could be lost due to fraud, they may be required to maintain a fiduciary bond. If they have physical contact with cash or checks, including access to a safe deposit box, power of custody or power to transfer property, they may need a fiduciary bond.

Employers with insured plans usually are not subject to the bonding requirements for those plans. No bonding is required when premiums or other payments made to purchase benefits, including health benefits, are paid directly from the employer's general assets to an insurance carrier.

REPORTING REQUIREMENTS

Form 5500 (100+ participants)

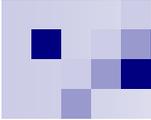
Plan administrators must report specified plan information to the Department of Labor each year. Fringe benefit plans and welfare plans with less than 100 participants at the beginning of the plan year that are unfunded, fully insured or a combination of both are not required to file the form. Form 5500 must be submitted to the Employee Benefits Security Administration (EBSA) by the last day of the 7th month following the end of the plan year. Applicable schedules (i.e., Schedule A, C, H or I) may need to be attached. Employers using an SPD Wrap document would submit one 5500 report for the SPD Wrap, instead of submitting one for each benefit plan.

Summary Annual Report (SAR) (If filed 5500 report)

The SAR summarizes the form 5500 financial information as a narrative summary of the Form 5500, and includes a statement of the right to receive a copy of the plan's annual report. The SAR must generally be provided within nine months after the end of the plan year to participants and beneficiaries.

Health Care Reform – W-2 Reporting (250 Employee Size Groups)

The Form W-2 reporting obligation applies to employers sponsoring group health plans who have 250 or more W-2 forms the prior year. Employers must disclose the aggregate cost of employer-sponsored coverage provided to employees on the employees' W-2 forms. The purpose of the reporting requirement is to provide information to employees regarding how much their health coverage costs. The reporting does not mean that the cost of the coverage is taxable to the employee.



New UAHU members since April 1st.

Neena Beverly
Amada Sue Brown
Debra Butterfield
Craig Cheney
Brian Christensen
Sherry Englis
Kevin W Gifford

Terry Houston
Josh Nelson
Aaron Palmer
Jessica Perri
Audra Smith
Geoffrey Smith
Loraine Sundquist

Russell Trujillo

Salt Lake Valley Chapter

DATES TO REMEMBER:

- August 10th: CE & Lunch - IMC Doty Education Center 11:45 am to 1:00 pm
- September 14th: Fall Seminar (3 hours) - IMC Doty Education Center 9:00 am to 1:00 pm
- October 12: CE & Lunch - IMC Doty Education Center 11:45 am to 1:00 pm
- January 11: CE & Lunch - IMC Doty Education Center 11:45 am to 1:00 pm

Northern Chapter

DATES TO REMEMBER:

- August 16th: Dr. David Patton, Executive Director, Utah Dept of Health
Medicaid expansion and relating to exchange issues. 8:00 - 9:00 am
- September 14th: Patti Conner, Director Avenue H Update on Avenue H and UPP
7:30 - 9:30 am

The Northern Chapter meetings are held the third Tuesday of the month from 8—9am at McKay-Dee Hospital's Education Center. For more info: northernchapter@uahu.org

Southern Chapter

DATES TO REMEMBER: