



CATHOLIC
MUTUAL
GROUP



BENEFIT BEAT

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Keeping Up With Your Benefits Package

IN THIS ISSUE

Legal Take: Is Your
Section 125 Plan Up-to-
Date?

Pharmacy Focus with
CVS/Caremark:
Specialty Copay Cards
Could be Costing You

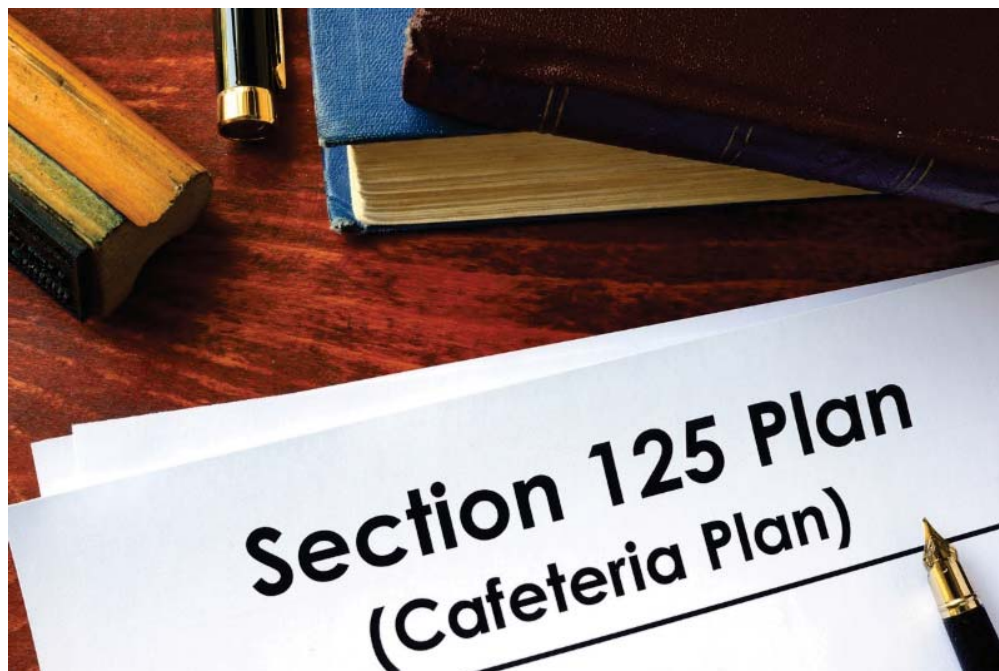
Benefit Tip: Are
Voluntary Benefits
Voluntary for
Employers?

Wellness Corner:
Personal
Motivation and
Engagement

CMG People: Meet
Isaac Rath

Annual Meeting
Update

For a printable version of this newsletter, [click here.](#)



Legal Take | Akerman - Is your Section 125 Plan Document Up-to-Date?

Have you made recent changes to your benefit offerings? Have you updated your Section 125 plan? Section 125 of the Internal Revenue Code requires that Premium Only or Cafeteria plan documents be updated every five years, as well as whenever there is a change in your plan so that its provisions are consistent with the plan SPDs or in the law governing it. A written plan document must be

formally adopted on or before the first day of the first plan year. This means drafting a new document and giving a copy to every employee eligible for the plan.

Here are some additional things you should know to be in compliance with this regulation:

- Types of Benefits That Can Be Offered Under Cafeteria Plan
 - Premium Reduction
 - Health Savings Account
 - Flexible Spending Account
 - Dependent Care Assistance Plan
- Mid-Year Status Change Rules
 - Elections generally may not be changed mid-year
 - Cafeteria plan regulations provide list of permissible changes, but plan document governs
 - Change in status
 - Cost or coverage changes
 - Leaves of absence/reduction in hours
 - Medicare/Medicaid entitlement
 - Other laws or court orders
 - Best practices for administering and documenting mid-year changes should be followed

Pharmacy Focus with CVS/Caremark | Specialty Copay Cards Could be Costing You

CVS/Caremark, in partnership with Catholic Mutual Group, recently released an advisory to employers about how the use of drug manufacturer co-pay cards may be costing your plan money.



Co-pay cards are produced by drug manufacturers to help increase the use of their products by providing discounts and/or rebates to consumers. These cards can be highly beneficial in helping members afford expensive medications. However, in some cases, they may also result in the member being credited for MORE toward their deductible and out-of-pocket costs than what they actually paid for the drug.

Here's an example of how it works for a High Deductible Health Plan (HDHP) enrollee that has not met their deductible or out-of-pocket costs to date:

- A member is prescribed a specialty medication which costs \$1500.00 per 30-day supply.
- The member's physician provides the member with a co-pay card from the manufacturer to help pay for the medication. This card reduces the member co-pay to \$25.00.
- The member/physician sends the prescription and the co-pay card to CVS's specialty pharmacy.
- The pharmacy fills the prescription and processes the co-pay card for payment. The member pays \$25.00, and the pharmacy is paid the remaining \$1,475.00 by the manufacturer. Keep in mind this member has not met the deductible, so the plan pays nothing in this example.
- When the claim is processed by the CVS/Caremark plan (because the prescription is still filled under your drug plan), the entire cost of \$1,500.00 is applied to the member's deductible and out-of-pocket accumulators even though the member only paid a \$25 copay.

(**A similar situation may occur under a non-grandfathered PPO plan where the member's prescription drug cost share accumulates towards the total out-of-pocket accumulator.**)

This system can be an incentive for members to use the manufacturer's sponsored co-pay cards in order to artificially meet deductibles and out-of-pocket maximums. After a

deductible and/or out-of-pocket maximum is met, the member has much less of an incentive to be a cost-conscious consumer for any healthcare decisions.

In some cases, drug manufacturers provide co-pay assistance directly to the member/consumer. In these instances, Pharmacy Benefit Managers (i.e. CVS/Caremark) have no knowledge of the transaction and therefore do not have the ability to accurately accumulate a member's true cost toward their deductible and out-of-pocket maximum.

The CVS solution

CVS has developed a way, under most circumstances, to accumulate the actual payment amount toward the deductible and out-of-pocket maximum. The program is called Specialty Co-pay Card and is only available on specialty medications -- at no cost and no rebate impact to CMG Members.

Next Steps:

Contact your Catholic Mutual Benefit Specialist or your CVS account representative and request the Specialty Co-pay Card be added to your prescription program. The program takes 30-60 days lead time to implement once CVS/Caremark is notified, so please act now to get the ball rolling on your specialty integrated co-pay card program.

Benefit Tip | Voluntary Benefits Are Essential Offerings for Employers

Voluntary benefits, which are insurance products or services made available by employers, but paid for by employees, allow employers to offer benefits that are tailored to the specific needs of their workforce. In fact, a recent survey found that sixty percent of employees are likely to take a job with lower pay but a better benefits package - including one that may include a selection of voluntary benefits.

Insurance carriers have responded by expanding their offerings to include supplemental employee-paid benefits that can either be stand-alone or structured as buy-ups to core plans. You can learn more about why offering voluntary benefits is essential, and how to get started with, or enhance, your offerings [here](#).

Wellness Corner | Personal Motivation and Employee Motivation and Engagement



Our featured speaker at the 2019 EBBA Annual Meeting was Andy Core. Andy is a credentialed, award-winning thought leader on increasing employee engagement, productivity and wellness motivation. His talent lies in helping hardworking, conscientious adults thrive at work and in their personal lives. Core has a master's degree in the science of human performance and has spent the past 15 years researching ways for professionals to become better equipped to thrive in today's hectic society. His work is widely recognized for helping organizations build teams that cost less, have better attitudes and accomplish more.

You can watch Andy address some common questions about how to stay motivated, energized and focused on priorities, and download a new infographic that shatters many common myths about what energizes people at work, by clicking [here](#).

Isaac Rath joined Catholic Mutual Group on July 9, 2018 as a Member Benefit Services Analyst. He has more than 18 years of experience in the employee benefits industry within the local broker community and as a health insurer. During this time, Isaac has worked on member and client service issues, account management, plan review, design and implementation, claims analysis, marketing, carrier negotiation, and employee communications. Isaac's additional experience includes providing client service and support, brokering/consulting for all lines of employee benefit coverage, and account management. Since starting at Catholic Mutual Group, he has worked on various marketing projects for a number of clients and prospective clients. Isaac looks forward to continuing to meet and know more about our clients and organization.



Annual Meeting Update



Please **SAVE THE DATES** as we are pleased to announce Catholic Mutual Group's Employee Benefit Buying Alliance will hold our 2020 annual meeting February 4 and 5, 2020 at the following location:

Perdido Beach Resort
27200 Perdido Beach Blvd
Orange Beach, AL 36561
Tel: 800-634-8001
www.perdidobeachresort.com
*fly into Pensacola, FL

As a reminder, Catholic Mutual will again reimburse up to \$500 to each Diocese having a representative in attendance.

Benefit Beat is a publication of **C.M.G. Agency, Inc.** Please feel free to share this newsletter with any staff, clergy or other members of your diocese for whom you think it would be useful. And, if there's anything you would like us to cover in a future issue of **Benefit Beat**, please contact us.

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