

**Producer Affairs News**

**New Producer News Look**

We've redesigned the format of our Producer News release for ease of viewing.

For a quick peak at the content of each issue, simply see the 'Inside This Issue' column located on page 1 of every issue.

Each edition will be broken down into sections, such as Producer Affairs News, Direct Pay News, Senior Product News, etc. Items not fitting into a specific category, such as this issues article on the Revised Reporting Requirements for Plan Year 2009, will be listed in a General section.

If you would like to see more information on specific topics, please send your recommendations to [catherine.hills@highmark.com](mailto:catherine.hills@highmark.com). We welcome your opinions and suggestions!

**Small Group News**

**New Small Group Business Application and HRA Setup Forms**

The Small Group Business Application and the HRA Setup form have been revised in order to help keep our administrative costs down. Please begin using these new forms immediately.

As well as being attached to the email that accompanies this publication, the forms are available on the Resources tab, under Forms & Applications, on the Producer Portal.

The Small Group Business Application contains two new fields:

- Field block #3 (Tax I.D)
- Field block #4 (HRA Indicator)

The HRA Setup Form contains four new fields:

- Client Manager Name
- Group Renewal Date
- Owner's signature (required)
- Owner's email address (required)



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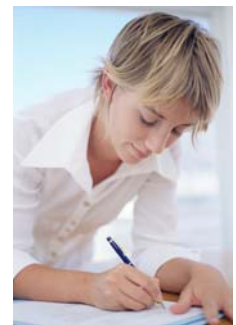
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**Available on the Resources tab of the Producer Portal**

# Health Care Reform

## Important Information about the Massachusetts Health Care Reform Law

The Massachusetts Act Providing Access to Affordable, Quality and Accountable Health Care requires Massachusetts residents, age 18 and older, to maintain minimal health care coverage (called “creditable coverage”) deemed affordable by the Commonwealth Health Insurance Connector – the Massachusetts entity that administers many of the law’s requirements. Massachusetts residents who fail to do so could incur financial penalties. Residents who have terminated any prior creditable coverage are required to obtain and maintain creditable coverage within 63 days of the termination.

### **Definition of Creditable Coverage**

Beginning in January 2009, numerous requirements must be fulfilled before a plan will be considered creditable coverage. Groups should consider the definition of creditable coverage when choosing a benefit plan design. Highmark has developed a checklist (see attached) to help groups determine whether their Highmark plan meets the creditable coverage requirements. The Massachusetts Department of Revenue has also published general regulations that define the requirements for creditable coverage.

Special rules apply to qualified high-deductible health plans. For the 2009 tax year, all Highmark qualified high-deductible health plans (HDHP PPOBlueSM and HDHP EPOBlueSM) will be considered creditable coverage under the Massachusetts law. Beginning with the 2010 tax year, however, numerous requirements must be fulfilled before an HDHP plan will be considered creditable coverage.

### **1099-HC Employer Reporting Obligation**

This law also places numerous reporting obligations on employers of Massachusetts residents. For example, employers who provide creditable coverage to their Massachusetts resident employees are required to issue 1099-HC tax forms to their Massachusetts resident employees and provide electronic verification of these 1099-HC tax forms to the Massachusetts Department of Revenue.

### **Highmark’s Role**

To assist our employer group clients with their reporting obligations, Highmark created reports containing 2008 enrollment information for all members who are residents of Massachusetts and who had employer group-sponsored medical coverage at any time in 2008. These reports, in Excel format, became available to employer group clients upon request in early January 2009.

### **Additional Information**

For more information about the Massachusetts Health Care Reform Law, please contact your Highmark client manager or go to the Commonwealth Health Insurance Connector Web site: <http://www.mahealthconnector.org/portal/site/connector/>.

A ‘Massachusetts Creditable Coverage Checklist’ is attached to the email containing this edition of Highmark’s Producer News.

*PPOBlue and EPOBlue are service marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans.*

*“Beginning in January 2009, numerous requirements must be fulfilled before a plan will be considered creditable coverage.”*



## Form 5500 Schedule C: Revised Reporting Requirements for Plan Year 2009

On November 16, 2007, the Department of Labor (“DOL”), IRS and Pension Benefit Guaranty Corporation (PBGC) published final annual employee benefit plan reporting regulations. These regulations revise the Form 5500 filing requirements to reflect changes made by the Pension Protection Act of 2006 (PPA), and to address growing concerns about fee disclosures. Among the more important changes, self-insured and cost plus groups that have 100 or more contract holders will be required to report significantly more fee

information, including the disclosure of indirect and non-monetary compensation paid to service providers. The expanded Schedule C reporting requirements are effective for plan years beginning in 2009 (i.e., filed in 2010). All impacted entities are encouraged to consult with their legal counsel regarding the revisions to the Form 5500 reporting requirements.

In response to the revised reporting requirements, Highmark is currently identifying the changes that we need to make to our procedures and documentation to ensure

that we provide information to our clients in a timely manner. Due to the increased disclosure requirements, Highmark is instituting a process to track gifts/entertainment that may be reportable under the new requirements for Schedule C. We will provide additional communications to our self-insured and cost plus groups as we take steps to track information needed for the expanded Form 5500 filing requirements.

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If you have any questions concerning the items in this issue, please contact your Account Manager.

Sincerely,

Reginald E. Brown  
Director, Producer Affairs, West

Attachments: 1  
creditable coverage checklist version 3 1-15-09.pdf