



February 2011

Banyan Consulting is pleased to present our monthly newsletter. We hope the articles in this and future editions will provide insight into an array of employee benefits topics.

We appreciate your feedback! If you have a topic for future discussion, please let us know.

## **REMINDER: Creditable Disclosure to CMS Calendar Year Plans: March 1, 2011 Deadline**

Entities that provide prescription drug coverage to Medicare Part D eligible individuals must disclose to CMS on an annual basis if their coverage qualifies as creditable or non-creditable. This disclosure is required whether the entity's coverage is primary or secondary to Medicare and is made through completion of the Disclosure to CMS Form (Form CMS-10198) which can be found on the CMS website: [https://www.cms.gov/CreditableCoverage/45\\_CCDisclosureForm.asp](https://www.cms.gov/CreditableCoverage/45_CCDisclosureForm.asp). The on-line transmission is the sole method of providing notice to CMS.

The entities which must complete the Disclosure to CMS Form include:

- Group health plans, union/Taft-Hartley plans; church plans; Federal, State and local government plans; and other group-sponsored plans;
- Government sponsored plans (including Medicaid, State Pharmaceutical Assistance Programs and State High Risk Pools);
- Military coverage
- Individual health insurance;
- Indian health Service; Tribe or other Tribal Organizations; Urban Indian Organizations; and
- Medigap plans (including standardized plans H, I, or J); pre-standardized plans; waiver State plans, and plans with innovative benefits.

The Disclosure to CMS Form must be submitted at the following times:

- Within 60 days after the beginning date of the Plan Year for which the entity is providing the Disclosure to CMS Form. For example, plans that run on a calendar year must submit disclosure to CMS by March 1, 2011.
- Within 30 days after the termination of the prescription drug plan.
- Within 30 days after any change in the creditable coverage status of the prescription drug plan.

If you have any questions on providing the Disclosure to CMS Form, please contact a member of your Banyan consulting team.

## **Tools Help Consumer Choose Quality Health Care at the Best Price**

The cost control promise of consumer-directed health plans depends on plan members making medically appropriate, yet cost-conscious, decisions when seeking health care services. Though resources to enable this kind of decision making have been lacking, some tools are being developed that help consumers to find and choose quality providers, and compare costs before receiving services.

As stated in a release from the Employee Benefit Research Institute in conjunction with its 2008 EBRI Consumer Engagement in Health Care Survey, the premise of consumer-directed health plans is that by transferring more costs to plan members, they will become more savvy health care consumers, and have more incentive to take better care of themselves. In support of this, the survey found that consumer-directed health plan members ranked high in cost-conscious behaviors, including seeking information on the cost and quality of doctors from sources other than their health plan, considering cost information when making health care decisions, and asking a doctor to recommend a less costly prescription drug.

But just where can consumers find cost and quality information to enable informed health care consumerism?

One such place to obtain information on the cost of specific health care services is from the firm change:healthcare (<http://www.changehealthcare.com/>) which issues a quarterly Healthcare Transparency Index that analyzes medical claims to determine opportunities for cost savings in different medical categories. The index, for example, looks at the cost of prescription drugs in different pharmacies to isolate opportunities for savings that consumers could take advantage of by shopping around when filling their prescriptions.

According to the 2010 index, prescription drugs are the health care services category that offers the highest opportunity for savings, followed by dental, psychotherapy, primary care physician office visits, physical therapy and chiropractic care. Both generic and brand-name prices varied by dispensing pharmacy. For example, a user of Abilify, a brand-name drug to treat depression, could save nearly \$2,500 a year by making a pharmacy change; for omeprazole, a generic for Prilosec (to treat acid reflux), a pharmacy switch could mean close to \$900 in annual savings. Switching from one name pharmacy to another was not the only way for a consumer to save money on prescription drugs, because within pharmacy chains, costs could vary widely location

to location, with Wal-Mart, Target, CVS and Walgreen topping the list of pharmacy chains with the largest cost discrepancies for a one-month supply.

Consumers need and deserve more information than has been traditionally available about health care providers and services, including the costs of various treatment options, results of patient experience surveys, and data on quality. The Consumer-Purchaser Disclosure Project, an employer/consumer/labor organization collaboration, suggests that such information should be provided through simple printed materials, including comparison charts and worksheets, as well as through interactive computer programs. These types of tools will help consumers choose the right health care, at the right price. Only then will consumer-directed health plans live up to their cost-savings potential.

## **Banyan's Upcoming Events**

### **Health Care Reform Seminar**

Friday, March 4, 2011

Sheraton Harrisburg Hershey Hotel, Harrisburg, PA

Learn from experts who are right in the mix of Health Care Reform. Approved for 3 Strategic HRCI credits.

Click here to read more on [Health Care Reform Seminar](#)

### **11th Annual Human Resources Conference**

Thursday, May 19, 2011

Hershey Country Club, Hershey, PA

Conference Topics Include: Health Care Reform, FMLA Employer Panel, Employment Law & an Update on the Economy. Also, Introducing Banyan's Benefits Boot Camp.

Click here to read more on [11th Annual Human Resources Conference](#)

### **Banyan Holding Prom Dress Drive during the Month of February**

New and gently used prom and special occasion dresses will be donated to Project Prom in Pittsburgh, PA and the Cinderella Project of Central PA prior to the 2011 prom season.

Click here to read more on [Banyan's Prom Dress Drive](#)