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### July Enrollments Bring a New Required Notice

July 2012, brings a new notice from all insurers subject to the MLR requirements. The final Medical Loss Ratio rule provides the model notice will be provided by insurers who have met or exceeded the MLR requirements.

The reason for this notice is to provide awareness and

### Hot Topics - Still Waiting!

At the time of publication, we are still waiting on announcements for two very important topics: Medical Loss Ratio rebates and the constitutionality of Health Care Reform.

#### [Medical Loss Ratio Rebates](#)

The plans that must issues rebates by August 1, 2012 for the 2011 year have been determined, but specific details have yet to be released, possibly pending the Supreme Court's decision.

#### [Constitutionality of Health Care Reform](#)

We anticipate the ruling coming from the Supreme Court during the week of June 25.

### NEW COBRA AUDIT GUIDELINES

March 2012 brought revised audit guidelines for COBRA compliance from the IRS. Future COBRA audits may include:

- A review of personnel files to confirm dates of both the qualifying events and the appropriate issuance of the COBRA notices
- Unemployment records, confirming if unemployment benefits were granted in cases of "gross misconduct" thus being ineligible for COBRA benefits
- Checking of participant data from one plan year to the next in order to confirm participants dropping off of the plan received any appropriate notices
- Tax returns

COBRA non-compliance fines are:

understanding of MLR provisions even to those persons who will not be receiving a rebate check. Notices are required with the first plan document provided to enrollees on or after July 1, 2012.

# of days not compliance  
X  
# of qualified beneficiaries for whom failure occurred  
X  
\$100

### EMPLOYER HEALTH COSTS PROJECTED TO RISE

Recently, a PricewaterhouseCoopers survey predicted health costs to rise 8.5% in 2012. Also according to this study, employers said they anticipate lessening their burden by shifting more costs to employees through plan cost-sharing (i.e. deductibles, co-pays, etc.) The survey continued by saying 28% of the 1,700 employers surveyed will have deductibles of \$1000 or more by the end of 2012.

For more information, contact the Stuckey Insurance benefits team.

As always, we hope you enjoyed this edition of our monthly newsletter. We thank you for the confidence you have placed in our firm and look forward to servicing all of your insurance needs.

Your friends at Stuckey Insurance

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