



## February 2013 Benefits Spotlight

The issues that those who manage their organization's healthcare and retirement plans have to deal with seem to increase daily. Featured below are articles on a few of today's hot topics that we found helpful and hope you do, too.

### HEALTHCARE

The long-anticipated **final rules on HIPAA/HITECH** were released January 25, 2013, by the Department of Health and Human Services. Law firm DLA Piper US LLP provides an excellent, in-depth discussion of these extensive modifications. The article highlights the significant differences between interim and proposed regulations and the final version. Among the major differences are the Department's re-definition of "business associates" and an expansion of their liability. You'll find the discussion [here](#).

As the Affordable Care Act ramps up for full implementation in 2014, some in the benefits community are questioning whether it spells the end of employer-sponsored healthcare. In a December 2012 article, [Views on Employment-Based Health Benefits After ACA](#), EBRI researcher Paul Fronstin examines that issue, a topic he will also address as a keynote speaker at our San Francisco conference in March.

The article, which draws on data from the 2012 EBRI/MGA Health Confidence Survey, notes that benefits remain a very strong criterion by which employees choose to go to work for, or remain with, an employer. The study, like many others, also indicates that most employers will continue to offer healthcare coverage to remain competitive, and most employees are confident that their employers will continue to do so. But if ACA doesn't have employers heading for the exit doors, the federal budget deficit may nudge employees away from employer coverage. When employees were asked what they would do if the current tax preferences change and health benefits become taxable to them, about one-third indicated they would prefer to have employers increase their pay by the amount the employer now spends on healthcare premiums and then buy coverage on their own. The conundrum that the data reveals, however, is that while employees like the idea of having greater choice, few are confident in their ability to choose a health plan. With so many challenges to the future of employer-sponsored healthcare, this is an issue to watch carefully.

Many employers who offer fully insured health benefits are taking a serious look at **self-funding** these benefits to cut or contain costs. An [online opinion piece](#) in *CFO* outlines the reasons why employers might consider making the jump. It also describes the main cost components and goes on to explain how individual and aggregate stop loss contracts protect a self-insured company against catastrophic claims. The article is an easy-to-understand overview of how self-funding works.

A pre-conference workshop on self-funding that we offer at each of our **2013 Mid-Sized Retirement & Healthcare Plan Management Conferences** is proving to be popular with registrants, indicating that employers are, indeed, exploring this option. The three-hour session offers an in-depth look at the elements employers need to consider before embarking on this strategy.

## **RETIREMENT**

The lack of retirement readiness among American workers is well documented. An article titled [Why More Americans Are Working Past Age 65](#) in *U.S. News* details the reasons many people are unable to retire at the traditional age of 65. Among the reasons author Emily Brandon cites: lingering effects of the recession, low interest rates that may cause retirees to dip into their principal sooner than they would like to, the shift to 401(k) plans, higher Social Security retirement age and, that two-edged sword, longevity.

### **Is "Gamification" the Answer to Boosting Retirement Savings?**

An [article in HREonline](#) reports on efforts by American Express and Towers Watson to inject the concept of game mechanics - gamification - into education efforts to increase employees' skills and knowledge about retirement planning. American Express offered its employees a virtual Smart Saving fair that attracted 1000 participants over a two-day period. Employees earned points toward winning a prize when they took specific actions such as reading an article on retirement. Consulting firm Towers Watson has piloted several different behavioral science-based, interactive games that employees can access on their smart phones or tablets. The object is to inject an element of fun and reward into what is an admittedly dry topic. And, apparently, it's not just younger workers who engage in game-playing. According to the article, women over 45 are the fastest growing segment of social gamers. Is gamification in the future of your retirement plan education efforts?