

Orange
County Association of
Health
Underwriters

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C.O.I.N.

COUNTY OF ORANGE INSURANCE NEWS



OCAHU

Orange County Association
of Health Underwriters



Inside this Edition:

- Feature Article: California's New Employer Retirement Plan Mandate
- CAHU Summit Awards
- The Affordable Care Act: A Trip Down Memory Lane
- Small Group Special OE Window (11/15-12/15)
- Fourth Quarter 2020 Health Insurance Compliance Tips
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Upcoming Events

See pages 24 for details

*Member
Spotlight*

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Making a Difference in People's Lives.

One Member at a Time.

Our association is a local chapter of the National Association of Health Underwriters (NAHU). The role of OCAHU is to promote and encourage the association of professionals in the health insurance field for the purpose of educating, promoting effective legislation, sharing information and advocating fair business practices among our members, the industry and the general public.



**Would you like to be more
involved in our industry?
Contact a board member today!**

See page 14 for a list of members.



PRESIDENT'S MESSAGE

By: MaryAnna Trutanich, RHU, CHRS

Hello Orange County! Hope this message finds you safe and healthy. As I was preparing to write this article (Sept. 29th), I just read from the Director of the CDC, COVID-19 is not going away

soon. I am proud to say, COVID-19 is not slowing us down here in Orange County. OCAHU has ignored all the distractions, focusing on your needs. We are busier than ever working on topics to help sustain and grow your business.

I am very proud of this year's Board. They have not skipped a beat. Here's what we've done, just in the last 3 months....

Celebration of Women in Business, Broker Masterclass – How to Win New Clients, Putt for PAC, Ease Site Builder Summit, 7th Annual Senior Summit, CE week with over 194 brokers attending, Legislative update from Pat Bates and Andy Neary on Major

League Mindset. We will go dark in December to enjoy the holidays.

We are entering into the busiest season of the year...4th quarter. You are not alone during this busy time, your association is here for you, providing you with information and support every day. Our goal is to help you understand and handle the various intricacies of our healthcare system, help you respond to various customer requests, help you support your clients and especially, this election year, making sure your voice is heard both on the State and Federal level.

We are excited for 2021! Our next event is the Annual Sales Symposium. Our President-Elect, Jo Ann Vernon and VP of Professional Development, Paul Roberts, together with their committee (if you'd like to help please contact them) are working hard to provide you a symposium worth attending. Please support your Association by attending. Be on the lookout for an invitation to register.

I wish you all the best during this holiday season. I look forward to the day we all can meet again in person. BE SAFE EVERYONE!!! ##



CAHU Podcast Series

Check out CAHU's new Podcast Series at: <http://anchor.fm/cahu> and <https://www.cahu.org/our-issues> or on Spotify! (search CAHU) or at cahu.org. Designed to allow CAHU members to share with their office staffs, employer clients and consumers!

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Feature Article:

California's New Employer Retirement Plan Mandate

By: Paul Roberts - Director of Education & Market Development, Word & Brown

California has a new law requiring employers that do not already sponsor an employee-retirement plan to participate in a state-run retirement program called CalSavers. The law compels automatic enrollment in the program for employees, beginning with a 5% salary reduction; however, employees have the ability to opt-out or make changes to the plan.

All employers with five or more employees of any status (full time, part time, seasonal, etc.) must begin participation in the plan by June 30, 2022 – unless they already sponsor, or begin to sponsor, a traditional retirement plan ahead of the deadline. Employers have different deadlines to comply with the mandate, according to the size of their workforce. Employers with 100 or more employees must have registered for the program by September 30, 2020. Employers with 50-99 employees have a June 30, 2021, registration deadline. Employers with 5-49 employees must register by June 30, 2022. All employers are eligible to begin participating in the program now, and do not need to wait until a forthcoming deadline. Additionally, Californians can enroll on their own as individuals if they do not have access to a retirement savings plan through their employer.

The CalSavers program is not intended to be a traditional retirement plan. Rather, it is a state-run program to help employees begin thinking about and saving for retirement. CalSavers will send notices to employers ahead of the deadline with a registration number, so employers can begin registration in the program.

The program aims to – and does – remove many of the complexities involved in sponsoring a traditional retirement plan, which can be especially challenging for smaller employers. Most importantly, the program does not make employers ERISA plan fiduciaries. A caveat to be aware of, however, is that the employer must not advise its employees on where to invest funds, and the employer can neither encourage nor discourage participation in the program. If it does either of these things, ERISA law requires the employer to become the plan fiduciary, which brings additional compliance challenges.

Although the program is completely voluntary for employees, the law requires employers to proactively and automatically enroll all employees in the program, as noted above. Employees must be enrolled in the program by the deadline, or within 30 days after date-of-hire for employees hired after the deadline.

When employees are enrolled, they begin a 30-day decision period when they can leave the plan as-is, make changes (contribution changes, etc.), or opt-out of the program entirely. During this window, employers must work with their payroll providers to begin providing deduction amounts for employees. At the conclusion of the 30-day period, unless changes are made, employees will be enrolled in the program beginning with a 5% payroll deduction.

If the employee decides to customize his or her enrollment, he or she can change the contribution rate, change investment fund choices, designate beneficiaries, manage personal information, make a withdrawal, or set up additional personal contributions. Employees can contribute anywhere from 0% to 100% of salary, up to the annual IRS maximum contribution allowance, which is \$19,500 in 2020. Additionally, employees can make changes to their plans at any time throughout the year, including opting out.

The funds withheld from employees' paychecks are based on gross income, and are withheld on a post-tax basis. The funds are put into a Roth IRA; however, employees have the option of re-characterizing the program into a traditional IRA. Regardless of the employee's IRA type, the plan will always belong to the employee. The employee's first \$1,000 deduction is put into a traditional money market fund. Additional dollars are put into a target retirement fund, based on the employee's age and anticipated retirement date.

In order for employers to register, they must adhere to registration deadlines, set up their account on the CalSavers.com website, submit an employee roster/census, and maintain that roster as they retain, hire, and terminate employees.

Employers will not incur fees for participating in the program; however, it's important to understand that employers cannot contribute to employees' plans. Doing so would make them the plan's ERISA fiduciary with compliance responsibilities. If the employer desires to make contributions, it can do so via a traditional retirement plan – especially ahead of the state deadlines.

CalSavers has registration and enrollment services availa-

Continued on page 13



CAHU Summit Awards

By: Jennifer Holmberg, MAOM, GBA - OCAHU VP Communications & Public Affairs

The virtual CAHU Summit on October 6th through 7th, presented awards to local chapters and Orange County took home 4 awards! Congratulations to the Orange County chapter and two of its dedicated members for receiving the following awards:

Legislative Award of Excellence: Honors a member who exemplifies the tireless effort in being a consumer activist on behalf of their clients, fellow insurance brokers and the California Association of Health Underwriters **Dave Benson**

Recruiter of the Year: Honors member who recruited the most new members during the year. **John Evangelista**

Large Chapter of the Year: Recognizes exception efforts of local chapter in membership growth and retention, legislative participation, PAC Contributions, continuing education, and charitable involvement. **Orange County**

Newsletter of the Year: Honors local chapter for publication of high -quality, interesting, informative, and timely newsletters. **Orange County**



**The
STATEment**

New from CAHU!

Have you read CAHU's new bi-monthly online magazine?

Check it out at <https://www.cahu.org/newsroom>.

The screenshot shows the OCAHU website with a navigation bar at the top: Conference Lobby, Exhibition Hall, Chat Lounge, Sessions Lobby, On Demand Video, and Help Center. The main content area features a video of MaryAnna Trutanich speaking. To the left of the video is a sidebar with links: COIN Newsletter, Membership, and Ask a Question. Below the video is a text block about the association's mission.

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Orange County Association of Health Underwriters

Welcome

COIN Newsletter
Membership
Ask a Question

Making a Difference in People's Lives. One Member at a Time.

Our association is a local chapter of the National Association of Health Underwriters (NAHU). The role of OCAHU is to promote and encourage the association of professionals in the health insurance field for the purpose of educating, promoting effective legislation, sharing information and advocating fair business practices among our members, the industry and the general public.

MaryAnna Trutanich speaking at the CAHU Summit

The advertisement features a background image of several silver trophies. On the left, a list of services is presented in a white, stylized font. To the right, a headline and two paragraphs of text are displayed. At the bottom left, the acronym 'G.O.A.T.*' is prominently shown. The Word & Brown logo and website URL are at the bottom right.

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COIN COMPLIANCE CORNER

What Agents and Your Clients Need to Know!

HIPAA Privacy & Security Enforcement Updates—

By: Dorothy M. Cociu, RHU, REBC, GBA, RPA, LPRT

There have been some settlements and other HHS/OCR news since the last issue of The COIN.

To begin this update, I want to say that HIPAA Privacy & Security compliance is serious. If covered entities and business associates don't train their employees properly, and don't implement the necessary tools and protections to protect PHI, breaches have and will occur. Sometimes it's as simple as an employee not being trained and therefore not aware that they should not click on a link that is sent to them via email, unless they are certain it is a legitimate link from a legitimate contact person. The majority of the electronic breaches continue to come from phishing emails and social engineering. The hackers can remain undetected for weeks or months, and serious damage occurs. Another high percentage of cases come from someone giving someone else their sign-in credentials, which result in a breach from unauthorized access. This issue's cases and settlements highlight these basic principals of HIPAA compliance.

Permera Blue Cross – Second Largest Enforcement Penalty to Date

On September 25, 2020, HHS announced the second largest enforcement penalty for violations for the HIPAA Privacy & Security Rule in OCR history (the highest was the Anthem settlement). Permera Blue Cross (PBC) has agreed to pay \$6.85 million to the Office of Civil Rights and implement a corrective action plan to settle potential violations of the HIPAA Privacy & Security Rule, related to a breach affecting more than 10.4 million people. PBC operates in Washington and Alaska, and is the largest health plan in the Pacific Northwest, serving more than 2 million people.

On March 17, 2015, PBC filed a breach report on behalf of itself and its network of affiliates stating that cyber-attackers had gained unauthorized access to its IT system. The hackers use a phishing email to install malware that gave them access to PBC's IT system in May, 2014, which went undetected for nearly 9 months, until January, 2015. The undetected cyber-attack, otherwise known as an advanced persistent threat, resulted in the disclosure of more than 10.4 million individuals' protected health information, including their names, addresses, dates of birth, email addresses, social security numbers, bank account information, and health plan clinical information.

OCR's investigation found systematic noncompliance with the HIPAA Rules, including failure to conduct an enterprise-wide risk analysis, and failures to implement risk management and audit controls.

"If large health insurance entities don't invest the time and effort to identify their security vulnerabilities, be they technical or human, hackers surely will," stated Roger Severino, OCR Director. "This case vividly demonstrates the damage that results when hackers are allowed to roam undetected in a computer system for nearly nine months."

In addition to the monetary settlement (keep in mind, settlements are a fraction of the total amount that could have been imposed if they had gone for a full Civil Monetary Penalty—CMP), PBC has agreed to a robust corrective action plan that includes two years of monitoring.

HIPAA Business Associate Pays \$2.3 Million to Settle Breach Affecting PHI of Over 6 Million People

In other enforcement news, CHSPSC LLC has agreed to pay \$2,300,000 to OCR and adopt a corrective action plan to settle potential violations of the HIPAA Privacy & Security Rules, related to a breach affecting over 6 million people. CHSPSC provides a variety of Business Associate services, including IT and health information management, to hospital and physician clinics owned by Community Health Systems in Franklin, Tennessee.

In April, 2014, the FBI notified CHSPSC that it had traced a cyber-hacking group's advanced persistent threat to CHSPSC's information system. Despite this notice, the hackers continued to access and exfiltrate the PHI of 6,121,158 individuals until August, 2014. The hackers used compromised administrative credentials to remotely access CHSPSC's information through its virtual private network.

OCR's investigation found longstanding, systematic noncompliance with the HIPAA Security Rule, including failure to conduct a risk analysis, and failures to implement information system activity review, security incident procedures, and access controls.

"The health care industry is a known target for hackers and cyber thieves. The failure to implement the security protections required by the HIPAA Rules, especially after being notified by the FBI of a potential breach, is inexcusable," said OCR Director Roger Severino.

In addition to the monetary settlement, CHSPSC has agreed to a robust corrective action plan that includes two years of monitoring. My personal opinion on this is the Community Health Systems should find a new IT contractor immediately,

Continued on page 9

HIPAA Privacy & Security Updates, cont. from page 8

as this type of breach is, as Mr. Severino said, inexcusable. This should also be a reminder to all Business Associates (including agents) that you absolutely have to be properly trained on HIPAA Privacy & Security, because you can be liable, as is this business associate was, for your failures to protect your clients' PHI. This case also proves that OCR does investigate Business Associate violations, not just covered entities.

Athens Orthopedic Clinic Pays \$1.5 Million to Settle Systematic Noncompliance with HIPAA Rules

Athens Orthopedic Clinic PA has agreed to pay \$1.5 million to OCR and to adopt a corrective action plan to settle potential violations of the HIPAA Privacy & Security Rules. Athens Orthopedic is located in Georgia and provides orthopedic services to approximately 13,000 patients annually.

On June 26, 2016, a journalist notified Athens Orthopedic that a database of their patient records may have been posted online for sale. On June 28, 2016, a hacker contacted Athens Orthopedic and demanded money in return for a complete copy of the database it stole. Athens Orthopedic subsequently determined that the hacker used a vendor's credentials on June 14, 2016, to access their electronic medical record system and exfiltrate the patient health data. The hacker continued to access PHI for over a month, until July 16, 2016.

On July 26, 2016, Athens filed a breach report informing OCR that 208,577 individuals were affected by the breach, and that

the PHI disclosed included patients' names, dates of birth, social security numbers, medical procedures, test results, and health insurance information.

OCR's investigation discovered longstanding, systematic noncompliance with the HIPAA Privacy & Security Rules by Athens, including failures to conduct a risk analysis, implement risk management and audit controls, maintain HIPAA policies and procedures, secure business associates agreements with multiple business associates, and provide HIP Privacy rule training to its workforce members.

"Hacking is the number one source of large health care data breaches. Health care providers that fail to follow the HIPAA Security Rule make their patients' health data a tempting target for hackers," said OCR Director Roger Severino.

In addition to the monetary settlement, Athens Orthopedic has agreed to a robust corrective action plan that includes two years of monitoring.

I think these three cases are excellent examples of what can happen if you don't properly train your staff and don't put in proper firewalls, and include administrative, physical and electronic security to protect the PHI in your possession. HIPAA Privacy & Security Rules have been in place for a number of years, and yet we continue to see these types of settlements resulting from obvious failures of the covered entities and business associates. ##

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Senior Summit

By: Maggie Stedt, CSA, LPRT - CAHU President

Making Us Better Together!

September 1 - 3, 2020

The 7th Annual Senior Summit held is virtual this year was a great success! We had 489 registered attendees including individual agents/brokers, exhibitors and sponsors! We heard outstanding speakers, attended CE classes (eight were offered) and a number of informational presentations. Agents and brokers especially appreciated the opportunity to learn about the 2021 products and special program offerings from the participating carriers! We had to expand to three days to pack it all in!

The virtual platform provided the attendees the opportunity to chat with presenters and exhibitors and download information from the exhibitor's booths. The nice feature about being virtual, is that the presentations (except for legislative updates) will continue to be available 90 days after the Summit ended.

Our two keynote speakers were Allyson Swartz with an Update from Better Medicare Alliance and Gary Owen who shared the BAM Factor. Justin Lubenow from our NAHU Medicare Advisory group provided updates on the CMS Plan Finder and other key information.

We really appreciated the hard work of preparation and presentations by our speakers. Special kudos to Paul Roberts our own VP of Professional Development who conducted an additional CE make-up class for those who were unable to sign into the first of three sessions due to connectivity challenges.

Day one our speakers/presenters, in addition to Allyson, included Paul Roberts, Patrick Rodriguez, Todd Macaluso, Rod Gale, Dells Billinglea, Dan Nazarek and Ed Martin.

The second day our speakers included Annette Todd, Teresa Campbell, Marcy Buckner (NAHU) Faith Borges (CAHU), Gale Gajardo and Craig Taylor.

The third day, after our key note speakers Gary and Justin, our presenters included Paul Roberts, Gale Gajardo, Lisa Rehbarg, Dan Mangus, Bob Tretter (NAHU), Ryan Dorigan. James Russ, Peter Blasi, Stan Israel, Craig Gussin, Ray Martin and Harry Thal.

Our Field Marketing panel with Dan Mangos, Dwane McFerrin and Ken Rasmus offered insight into marketing challenges and solutions during this challenging AEP under COVID.

Thank You!

A big special thank-you to all of our Sponsors. We could not have held this conference without them!

- **Platinum Sponsors:** Humana, SCAN and UnitedHealthcare
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- **Coffee Break Sponsor:** Warner Pacific
- **Session Sponsors:** Financial Grade, HRBC and Aetna
- **Advertising Support:** California Broker

The Senior Summit Executive Team who worked hard to make this event a success:

- Yolanda Webb (IEAHU)
- Juan Lopez (OCAHU)
- Ricki Haisha (SDAHU)
- MaryAnna Trutanich (OCAHU)
- Our Executive Directors: Gail James Clarke and Dawn Carroll

We were joined by George Carson of Carson Marketing Inc who helped with the video recordings and editing. A very special thanks and recognition go to Gail and Dawn who had to learn the virtual backstage set and building of the platform presentations. It was quite a feat of dedication and countless hours of hard work. They even managed the backstage during the program and interfaced with our platform provider and our attendees to resolve issues in real time! We did have some challenges, but it was a great help that our presentations were prerecorded!

And lastly, thank you to all our attendees for making it a special event!

We are really hoping that we can be together in person next year at Pechanga from August 31st- September 2nd, 2021. We are already firming up the contract, so save the date. These dates are final whether we're in person or virtual. Mark your calendars now!



Legislative Update:

The Affordable Care Act: A Trip Down Memory Lane

By: David Benson - OCAHU VP Legislation

Prior to March 23, 2010 the U.S. had a very complex healthcare system that had been in place for many years. Double digit rate increases created unaffordability and medical underwriting kept people with pre-existing medical conditions, such as obesity and drug use, uninsured. Members of Congress decided that our healthcare system needed to be replaced. However, every time bills were introduced to fix the system unintended consequences occurred. You could count the number of Congressional Members who worked in the healthcare field prior to being elected on one hand, which created an environment of unfamiliarity with the system as a whole. Each political party was made up of moderates, middle of the road members and extremists. Not only did Democrats and Republicans not work with each other, extremists and moderates from the same party did not work with each other either. Welcome to total dysfunction!

Let's step back to the 2008 Presidential election. The Democrats won the White House and both Houses of Congress. The Democrats knew that during the mid-term elections in 2010 they would lose one or both Houses of Congress, so they had a 2-year window to introduce and pass legislation on key election issues including a new healthcare system. The Republicans were going to do everything in their power to delay voting on Democratic priority bills.

To address the concerns with the old healthcare system two components needed to be discussed, guaranteed issue coverage and controlling healthcare costs. To prevent adverse selection, you cannot have guaranteed issue coverage without a mandate that everybody must have coverage. The Democrats and Republicans disagreed on this issue. Healthcare costs were not addressed, which will be explained later in this article.

The House and the Senate each formed a separate Committee to work on a new healthcare system. When Party Leaders got together to review the 2 plans, they faced some major challenges, as both parties disagreed on the key provisions of both proposals. To bring a bill to the floor for a vote the House and Senate had to come together and present one bill. To address the differences between the bills a Conference Committee was formed with an equal number of Democrats and Republicans from each House. A compromise has to be reached on every provision where there are differences. Usually, before the Conference Committee gets started each House adds a number of crazy amendments to each provision where there are differ-

ences, knowing these crazy provisions will be negotiated out of the final bill. The Conference Committee was set to hold their initial meeting in January of 2010. The mid-term primary elections were set to take place between March and June of 2010. The Democrats knew they had the votes to pass a bill without any Republican votes and suspected that the Republicans were going to try stall tactics in the Conference Committee, which would delay a final vote on the bill until after the mid-term elections.

Democratic Leaders from the House and Senate got together and agreed to move forward the House Bill as proposed with all the crazy amendments included, thus by-passing the Conference Committee all together. The bill was over 30,000 pages long. Very few members of Congress read the bill before it came to the floor for a vote. Since the Democrats wanted to vote on the bill prior to the mid-term elections, discussions never took place on controlling healthcare costs. Until healthcare costs are addressed, premiums will continue to increase every year.

Since "Obamacare" was signed into law on March 23, 2010, legislation has been introduced and passed eliminating some of the crazy provisions in the bill. The National Association of Health Underwriters (NAHU) has been responsible for most of these changes. NAHU continues to work on your behalf addressing provisions in the bill that need to be removed or changed.

There are differences between the parties and what they want to do with Obamacare. Republicans do not want to make any fixes to Obamacare, they want to repeal it. However, they have not been able to agree on a new healthcare system. A vote in Congress to repeal Obamacare lost by one vote. Former late Senator John McCain voted against the bill because the Republicans did not have a new healthcare system that was better than Obamacare. If President Trump wins the election, he will have to get all Republicans to work together on creating a new healthcare system that is an improvement over the current system. If both Houses of Congress are not controlled by Republicans, it will be difficult to get things passed thus ensuring Obamacare is here to stay.

Democrats want to fix Obamacare. If former Vice-President Joe Biden wins the presidential election, a Com-

Continued on page 13



Small Group Annual Special Open Enrollment Window

*By: Paul Roberts - OCAHU VP Professional Development &
CAHU VP of Public Affairs*

The Affordable Care Act (ACA) requires medical health insurers to offer a one-month Special Open Enrollment Window (SOEW), when eligible small groups can enroll in medical coverage without having to meet standard employer-contribution and/or employee-participation ratios.

The SOEW occurs November 15th through December 15th of each year, allowing eligible small group employers to enroll for coverage effective January 1st of the following year.

Background

The ACA has a section in it called the “guaranteed issuance of coverage in the individual and group market.” It stipulates that “each health insurer that offers health insurance coverage in the individual or group market in the state must accept every employer and individual in the state that applies for such coverage.”

The section also states that this guaranteed issuance of coverage can only be offered during (special) open enrollment periods, and that plans can only be offered to applicants who live in, work in, or reside in the plans’ service area(s).

Participation and Contribution Requirements

In many states (including California), carriers can decline to issue group health coverage if fewer than 70% of employees elect to enroll. Some carriers may have even tighter participation requirements.

Generally speaking, employees with other coverage (Medicare, other group coverage, state sponsored individual coverage through the Exchange, etc.) are removed from the participation requirement calculation – though it varies by insurance carrier.

Furthermore, contribution rules require employers to contribute a certain percentage of premium costs for all employees in order to attain group health coverage. Some businesses struggle to meet these contribution requirements for a variety of financial reasons.

Problem Solved: Special Open Enrollment Window

Many employers want to offer coverage to their employees, but are denied because they struggle to meet participation and/or contribution requirements. Employers cannot force employees to enroll in coverage unless the employer pays for 100% of the employees’ premiums, which many employers cannot afford. Even with moderate to generous employer contributions, many

employers still find young and lower-income employees waiving coverage. This has been even more evident since 2019, with the ACA’s federal Individual Mandate non-compliance penalty reduced to \$0.00. Although, at least in California, that changed a bit in 2020 when the state implemented its own Individual Mandate, with steep non-compliance penalties for adults and families in California. Nevada and many other states do not have a state individual mandate requirement.

The U.S. Department of Health & Human Services provides final guidance on this in regulation 147.104(b)(1): “In the case of (medical) health insurance coverage offered in the small group market, a health insurance issuer may limit the availability of coverage to an annual enrollment period that begins November 15 and extends through December 15 of each year in the case of a plan sponsor that is unable to comply with a material plan provision relating to employer contribution or group participation rules.”

If your employer groups are struggling with participation and/or contribution, the Special Open Enrollment Window is the time to enroll them in coverage.

Important ACA Consideration for Applicable Large Employers (ALEs)

It’s important to note that ALEs with 50+ FTEs are still subject to the ACA’s Employer Shared Responsibility mandate – even when/if the ALE enrolls in coverage during this Special Open Enrollment Window without having to meet standard participation and contribution requirements.

The Employer Shared Responsibility mandate requires ALEs to offer affordable health coverage to full-time (FT) employees and their dependents to age 26, or face potential non-compliance penalties under IRS Section 4980H. The affordability ratio for plans beginning in January 2021 is 9.83%. This means a FT employee should not pay more than 9.83% of his or her household income. Employers have the option of using rate of pay, end-of-year W-2 box 1 income, or of the Federal Poverty Level, on the lowest-cost plan offered by the employer that meets minimum value in order to satisfy the ALE ACA affordability criteria for plan years beginning in 2021. The ACA affordability ratio for plan years beginning in 2020 is 9.78%. ##

CA Employer Retirement Mandate, cont. from page 5

ble throughout the state to aid employers in compliance and enrollment; information can be obtained by sending an email to clientservices@calsavers.com. More information is available on the CalSavers.com website, including an in-depth FAQ section.

As with most mandates from the state, non-compliance penalties for violation of the retirement-program mandate are hefty, and are assessed by the California Franchise Tax Board. Under Government Code Section 100033(b), each eligible employer that, without good cause, fails to allow its eligible employees to participate in CalSavers on or before 90 days after its deadline, will be fined \$250 per W-2 employee. If noncompliance extends further, employers will be fined up to an additional \$500, for a total of \$750 per W-2 employee. Employers can be penalized for missing any step of the process – including not registering employees by the deadline, not adding new-hires to the CalSavers system within 30 days, not submitting contribution amounts, cessation of program facilitation, etc...

Although this mandate is not necessarily related to health insurance, it is one of major importance to employers in California. A health insurance broker who uses this information to keep clients informed of changes in the employment marketplace – inside and outside of health insurance – will surely see continued client retention and business growth. ##

ACA: A Trip Down Memory Lane, cont. from page 11

mittee will be formed to work on improving Obamacare, and it is possible that this Committee will address healthcare costs. There is talk that the Democrats will push Senator Bernie Sanders' Medicare For All program, but more than half of the Democrats are opposed to Medicare For All including Joe Biden. In addition to lacking the votes to approve Medicare For All, the Democrats in favor of the program have no way to pay for it. Passing this program will be a difficult task. ##

***Not a member?
Join us today!***

Contact John Evangelista at

☎ (949) 452-92019

✉ john.evangelista@coloniallifesales.com



CAHU Summit Virtual Happy Hour

OCAHU Board of Directors and Staff 2020-2021

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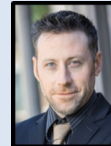
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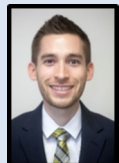
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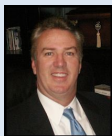
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BSM-0130-2019



*We'd like to welcome the newest
members of OCAHU!*

Debbie Montalvo

Duane Townsend

David Wilson

Membership News



Are you contributing to CAHU-PAC?

This is a pivotal year for our industry. Consider contributing so your voice can be heard at our state's capitol. CAHU-PAC is working for your best interest and those of your clients.

*To start contributing copy the form on page
21 of this issue and mail to*

CAHU today!

Thanks for your participation!

Member Spotlight

Sarah Knapp



Role at OCAHU: I joined OCAHU in 2013. I had just gone to my first Women in Business (WIB) luncheon. I loved the energy of the event and what the committee was doing, so I joined and asked if I could serve on the Women In Business committee. I have been on that committee since the 2014 luncheon and have enjoyed every second of it! I have served on the board as the Awards/Historian Chair since 2017. I have also volunteered at the Golf Tournament for the last couple of years. Last year in February was my first NAHU Capitol Convention and my first time to lobby in DC, that was an eye opening experience!

What keeps me involved: OCAHU keeps me informed on what is happening in our industry on so many levels; National, State and Local. I learn something new at every meeting I attend and I am able to network with my peers. I like the opportunity the association gives us to lobby for what is best for our industry and the people we work for.

What I get out of it: I like working behind the scenes! As the Awards Chair I document everything that OCAHU does throughout the year and then submit the applications for the NAHU and CAHU awards. It is gratifying to see our Chapter recognized for the many things we do, not only for the industry, but also for our community. The WIB committee works for an amazing cause, New Hope Grief Support, who helps families cope with the loss of a loved one. The work they do with kids is especially important. We get to put on a really fun event and have a great time, all while we raise money to make an impact on someone's life. That is so rewarding! The Golf Tournament raises funds for The Cystic Fibrosis Foundation, a nonprofit organization working tirelessly to find a cure and help those with CF live long lives. Another fun event OCAHU coordinates for members to network, raise money and change lives!

My message to a new member thinking of joining: The reason I joined OCAHU was to network and meet more people in the industry. What I have gained from being a member and getting involved has been so much more! I have established great working relationships, long lasting friendships and found a sense of purpose from the committees I have joined. I have also learned how to be an advocate for the public by sharing my knowledge through lobbying efforts. I would say that you may join for one reason and find many more reasons to stay and be involved! ##

Looking for COVID-19 Resources or Information?

State Resources

CAHU's COVID section is a great resource to use when looking for information that is state specific. There are helpful links, videos, posters and more. Please visit <https://www.cahu.org/covid-19-information> for more information.

National Resources

NAHU is helping members stay up to date with the latest on the COVID-19 Pandemic. They have developed a page on their website to house information on different areas where the crisis has affected. They also have a webinar series with previous recordings accessible. Please visit <https://nahu.org/coronavirus-information> for more information.



Women In Business

By: Pat Stiffler - OCAHU Women In Business Chair

All of us at OCAHU were so disappointed that we were unable to hold our beautiful Celebration of Women in Business event in person this year. Realizing that the loss


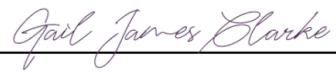
of our generous donation would affect those families at a time when they may have needed grief support the most, our amazing committee (to include

two of our outstanding Ambassadors) decided to find another way to raise money for New Hope Grief Support Community. We came up with a plan to raise money virtually.

Our basket committee created beautiful baskets. We found donations for two incredible auction items and our committee members set up peer-to-peer donation pages to solicit friends, family and colleagues for donations to New Hope. The first week into our campaign an extremely generous offer was made by an anonymous donor to match any money raised. That gave us an even stronger incentive!

The final tally has been completed and I am happy to announce that OCAHU raised a record \$56,720!!!! This is the most money OCAHU has ever raised for this organization!

I want to thank our amazing committee and ambassadors, Erika Adkins, Becky Capelouto, John Evangelista, Grace Hong, Mercedes Houdek, Sue Kidder, Sarah Knapp, Juan Lopez, D'Vora Mariscal, Renee Melgoza, Diana Miller, Suzanne Purnell, Dawn Quinn, Julie Raff, Janelle Reina, Gabrielle Ruelas, Maggie Stedt, Maryanna Trutanich and Lynn Wischmeyer. Last but not least, we could not have done any of this without our stellar Executive Director, Gail James Clarke. I also want to thank all of you who bought raffle tickets, bid on auction items and donated to New Hope. We look forward to next year's event in person on Friday June 4 at the Balboa Bay Resort. Hope to see you all there! ##

		1234
PAY TO THE ORDER OF New Hope Grief Support Community		DATE October 13, 2020
Fifty-Six Thousand Seven Hundred Twenty ~~~~~		\$ 56,720.00
FOR WIB 2020 Virtual Fundraiser		DOLLARS
		
123456789 7890 5673		

Check presented to David Leonard, Executive Director at New Hope Grief, during the October member meeting



Visit www.newhopegrief.org to learn more about this wonderful organization



Women In Business watch party



Fourth Quarter 2020 Health Insurance Compliance Tips

By: Paul Roberts - OCAHU VP Professional Development &
CAHU VP of Public Affairs

As we embark on our journey through the fourth quarter of 2020, our clients are asking more

from us than ever before – especially during our socially distant pandemic. With all the focus on COVID-19 and upcoming insurance renewals, it can be easy – for some – to lose sight of other health insurance topics. Fourth quarter is always a trying, challenging time for us in the health insurance industry – but this time of year is very important to all our clients who are experiencing renewals, changing coverage, or purchasing health insurance for the first time. Our employer clients, individual clients, and Medicare clients are looking to us to lead them through our industry's challenges so they can live healthy, and happy lives. Our roles as health benefits professionals are important. The following are tips, reminders, and helpful updates to aid your discussions with employer clients during fourth quarter. You've got this!

California Individual Mandate and New Penalty Estimator

Although the Affordable Care Act (ACA) requires individuals to have health insurance, the penalty for non-compliance at the federal level has been reduced to \$0.00, effective 1/1/2019. However, California created its own individual health insurance mandate effective 1/1/2020, which requires all California residents to maintain qualifying health insurance throughout the

year – and all years moving forward, including 2021. Under the state law, California residents must either have qualifying health insurance coverage (which includes most employer-sponsored medical coverage), obtain an exception from the requirement to have coverage, or pay a penalty when filing state tax returns.

Unlike at the federal level, the California non-compliance penalty under the mandate is much greater than \$0.00. The penalty varies based on a number of factors, including persons in household, month(s) without coverage, income, etc... Each person's penalty varies according to his or her own unique situation, the California Franchise Tax Board recently released a new penalty estimator calculator to help Californians estimate what it may cost to be without health coverage under the mandate. From a high level, the penalty is either a flat amount of \$750/adult and \$375/child (prorated by month), or a percentage of household income based on a person's tax filing status and number of dependents.

Unfortunately, because this is a printed article, I am unable to share the web link to the calculator with you here. However, a Google search for "Individual Shared Responsibility Penalty Estimator" will return the calculator on the California Franchise Tax Board website.

Special Open Enrollment Window: 11/15 – 12/15

The ACA requires health insurance carriers to allow employers to enroll in medical health insurance coverage, effective 1/1 each year, without having to meet standard participation and employer-contribution underwriting requirements. This is known as the ACA's one-month "Special Open Enrollment Window" (SOEW).

The SOEW occurs November 15th through December 15th each year. Health insurance agents working with employers struggling to meet participation and contribution requirements will find this window especially attractive.

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Q4 2020 Compliance Tips, cont. from page 18

tive.

Health insurance carriers are usually strict about enforcing the SOEW's deadline dates. If your client is looking to enroll in coverage during this window, it's advised to submit enrollment paperwork to your General Agency (GA) or carrier's underwriting team as early as possible. For additional information, stay tuned to GAs and carriers as SOEW approaches.

Affordable Care Act IRS Reporting

If your client determined on January 1, 2020, that it is an Applicable Large Employer (ALE) under the ACA for all of the 2020 calendar year, then it must report the coverage it offered, or did not offer, to any person employed on a full-time basis for at least one full calendar month of 2020 to the IRS.

This reporting is usually conducted in Q1 of the following year (e.g., 2021 for the 2020 tax year), utilizing IRS Forms 1094 and 1095. The IRS may announce special information related to COVID-19 hardship during the reporting year, but it has yet to do so. IRS Forms 1095 are due to employees by March 2nd (this deadline was just extended from February 1st). They are due to the IRS by March 1st if filing by paper, or March 31st if filing electronically. Note: The IRS may (continue to) adjust these deadlines, as it has in previous years.

Compliance Responsibility for 2021 – ACA and COBRA

At the beginning of each year, on January 1st, an employer should compute its size by evaluating the size of its workforce for the previous calendar year.

To evaluate ACA Applicable Large Employer (ALE) status – and required compliance with the ACA's employer mandate – the employer must total the number of Full Time (FT) employees and the number of Full Time Equivalent (FTE) employees for each of the 12 months of the calendar year, and then average all results. If the size is 50+, the business is considered an ALE for all of

2021 and must, therefore, comply with the employer mandate and report on such offers of coverage to the IRS in 2022.

At the same time each year, employers must also evaluate federal COBRA compliance (and Cal-COBRA compliance for employers domiciled in California), by evaluating the size of its workforce of the previous year. Although this calculation is conducted at the same time, it is a different calculation than the ACA ALE calculation. ##

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Putt for PAC

By: John Austin - VP of Political Action

PUTT for PAC was a great success, as well as a lot of Social Distancing FUN! All in all, there were a lot of entries totaling up to just under \$1,000 raised. There were lots of putts, some of them sunk in the hole, while others missed. Laughter and fun was had by all, with varying putting skills. In the end there was only one that stood as the Perfect Putter.

1st Place: John Evangelista

2nd Place: Gonzo Verduzco

3rd Place: Maggie Stedt

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Left to Right: John Evangelista, Maggie Stedt, Juan Lopez

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CAHU PAC CONTRIBUTOR COMMITMENT FORM

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EMPLOYER (if self employed, name of business; Required for FPPC reporting purposes)

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Levels	Annual	Monthly Minimum	Diamond Levels	Annual	Monthly Minimum
Ruby	\$250 - \$499	\$21/month	One Star	\$1,000 - \$1,999	\$85/month
Emerald	\$500 - \$719	\$42/month	Two Star	\$2,000 - \$2,999	\$170/month
Sapphire	\$720 - \$999	\$60/month	Three Star	\$3,000 - \$3,999	\$250/month
			Four Star	\$4,000 - \$4,999	\$340/month
			Five Star	\$5,000 - \$6,000	\$420/month

NOTE: POLITICAL CONTRIBUTIONS ARE REPORTED TO THE FPPC. YOUR NAME, AS A CONTRIBUTOR, WILL BE A MATTER OF PUBLIC RECORD.

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Visa/MC/Amex				\$	\$
Auto-checking withdrawal	PLEASE ATTACH A VOIDED CHECK			\$	

Bank Draft / Credit Card Authorization: I (we) hereby authorize the CAHU PAC to initiate debt entries to my (our) checking account and or credit card. Monthly or one-time debits to be made as shown above. Monthly contributions will continue to be drawn until CAHU PAC is notified in writing to cease. I understand that if I should request changes to the amount withdrawn or a cancellation of these charges that it may be 30 days before these changes to become effective.

Signed: _____ Date: _____

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For Additional OCAHU Sponsors, See Page 22!

- THE C.O.I.N. -

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SCHEDULE OF EVENTS:

Due to COVID-19, most of our in-person events have been rescheduled to a later date. Stay tuned for updates as CA starts to re-open.

November 2020

Stay tuned for our Monthly Meeting!

February 11 - 12, 2021

Sales Symposium, LOCATION: Virtual

February 21 - 23, 2021

NAHU Capitol Conference, LOCATION: Virtual

April 19, 2021

OCAHU Golf Tournament, LOCATION: Aliso Viejo