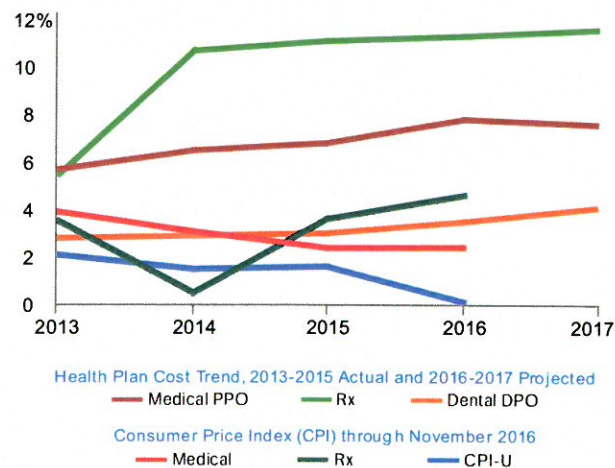


Learn more by clicking on the blue text below.

Key Statistics

Trend and CPI | Health benefit plan cost trend rates for 2017 are projected to be similar to prior levels for most medical plan options. Prescription drug trend for actives and early retirees is projected to be in the double digits.



Sources: 2017 Segal Health Plan Cost Trend Survey and Bureau of Labor Statistics for CPI.

Specialty and biotech drug trend increases makes up a 35 percent increase in projected Rx drug cost trend for 2017, according to the 2017 Segal Health Plan Cost Trend Survey. This is up from 25 percent just two years ago.

The average **Medicare Advantage (MA) premium** will decrease to \$31.40 per month for 2017 (from \$32.60 in 2016), according to the Centers for Medicare & Medicaid Services (CMS). Also, 67 percent of MA enrollees will see no premium increase in 2017.

Nearly 20 percent of **emergency room visits** are for low-level conditions, according to Rand research. If those emergency room visits were to be moved to retail or urgent-care clinics, it would produce an estimated savings of \$4 billion annually.

Compliance News

2016 Affordable Care Act (ACA) Forms Deadline Extension | The deadline for providing 2016 Forms 1095-B and 1095-C to plan participants was extended by the Treasury Department and the Internal Revenue Service (IRS). The new deadline is March 2, 2017. The notice also extends the good-faith transition penalty relief in place for the 2015 reporting year.

2016 ACA Health Plan Reporting Guidance | New guidance on reporting added by the ACA for health plans and large employers under Sections 6055 and 6056 of the Internal Revenue Code was released by the Treasury Department and the IRS.

New Guidance on Cloud Computing | Guidance was released to address cloud computing and how to ensure it complies with the Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH). Cloud-based providers that create, receive, maintain or transmit electronic protected health information (ePHI) are HIPAA business associates and must enter into HIPAA-compliant business associate agreements with the covered entity.

Medicare Part A and Part B | Medicare Part A and Part B premiums, deductibles and coinsurance for 2017 were announced by the CMS. The amounts took effect January 1, 2017.

Segal's 2017 Reporting & Disclosure Calendar for Multiemployer Plans | Segal has published its 2017 *Reporting & Disclosure Calendar for Multiemployer Plans* which summarizes compliance requirements for health and welfare (and retirement) plans.

Segal Health Care Reform Resources | The Health Care Reform Resources page on Segal's website links to all publications and other resources related to the ACA.

The Vendor Marketplace

Cigna Corp. announced that it would no longer require patients to obtain prior authorization in order to receive treatment for opioid addiction.

Pfizer Inc. announced that it would stop further development of its cholesterol-lowering PCSK9 inhibitor drug Bococizumab after late-stage clinical trials data did not meet expected results.

The court case involving the Department of Justice and proposed merger partners **Aetna** and **Humana** started in early December and has primarily focused on the MA market.

What Plan Sponsors Are Doing to Manage Plans: Selected Strategies

As **MA enrollment** continues to increase in many states and premiums decrease, some employers may want to offer an MA plan to participants who are eligible for Medicare. Participants benefit from access to higher quality plans and the plan sponsors benefit from substantial cost savings.

With the increase in **specialty and biotech pharmacy trend**, plan sponsors are continuing to focus on cost management of those prescription drugs. Plan sponsors that have not already done so may want to consider implementing specialty pharmacy management, analyzing their plan experience and/or revising their plan design.

A final guideline on **statin use** for the primary prevention of cardiovascular disease was released by the U.S. Preventive Services Task Force. A growing number of plans are adding or expanding their hospital discharge patient assistance programs to reduce the level of readmission rates and lower hospital claim costs.

To discuss the implications for your plan, contact your Segal consultant or get in touch via our [website](#).