

# THE ARMSTRONG REPORT

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## Health Reform

### What the Senate Bill Would Mean for Employers

SENATE REPUBLICANS released draft legislation on June 23 to repeal and replace the Affordable Care Act that does much of the same that similar legislation from the House would do.

The aim of the draft is the same as the American Health Care Act (AHCA) passed by the House of Representatives in April. But soon after that bill was passed, the Senate leadership made sure that everyone knew that it would be putting together its own legislation instead of entertaining the AHCA.

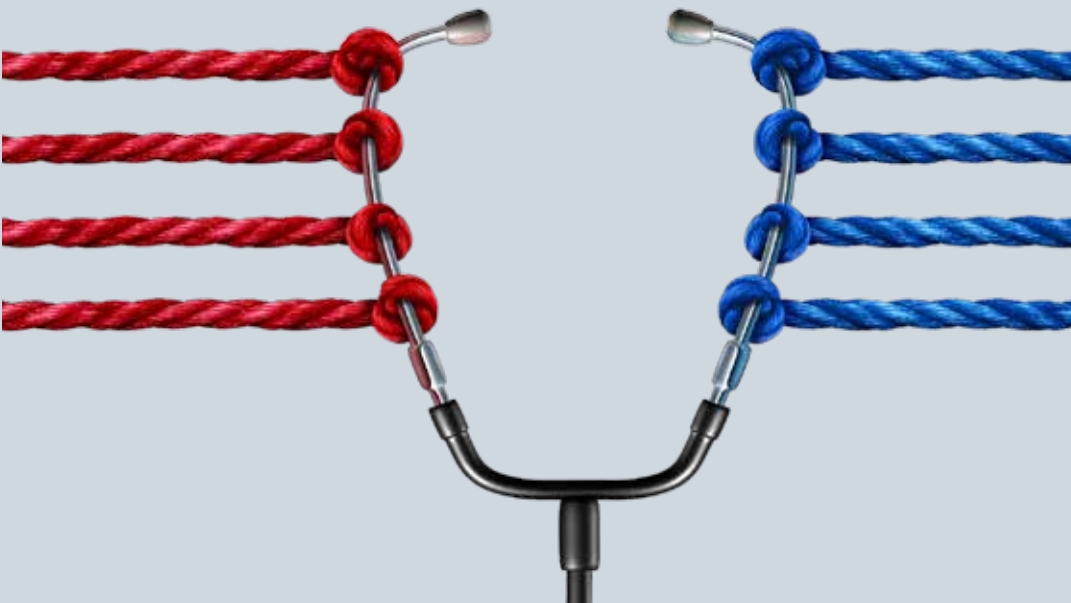
Their bill, dubbed the Better Care Reconciliation Act of 2017, is sweeping in its complete disassembly of the ACA, particularly the employer and individual mandates, taxes attached to the law, and a reversal – and then some – from the Medicaid expansion that also took place under the ACA.

We boil it down to what will matter to you to the right.

## THE BETTER CARE RECONCILIATION ACT BASICS

- Instead of eliminating the employer mandate requiring organizations with 50 or more employees to secure coverage for their workers, it eliminates the \$2,400 a year per employee penalty.
- Instead of eliminating the individual mandate to have coverage, it eliminates all penalties for not securing coverage.
- Repeals all ACA taxes except the "Cadillac tax," which would levy a 40% tax on any employer-sponsored plans that cost more than a certain amount. The Cadillac tax would be pushed out to 2026.
- Offers tax credits to people buying coverage in the individual market and whose incomes are 350% of the federal poverty level. That's compared with 400% of the poverty level under the ACA. Those tax credits would be based on age and income level.
- Bars employers from expensing health plans that cover abortions (except in cases of rape and incest).
- Nearly doubles contribution limits for health savings accounts.
- Lets people use their HSAs to pay for over-the-counter medications, which is restricted under the ACA.
- Allows both spouses to make catch-up contributions to one HSA, beginning in 2018.
- Amends the Employee Retirement Income Security Act to create a small business "association health plan" option.

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## CONTACT US

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## Claims Management

# Four Workers' Comp Mistakes Employers Typically Make

**W**ORKERS' COMP is always a significant outlay for any organization and you may be wondering what you can do to reduce your costs.

Some companies may take drastic measures to reduce their rates, but in the process they make mistakes that end up costing them more in the long run. Below are four common mistakes that you should avoid in your rush to cut your workers' comp costs:

### Assuming lower rates mean lower premium

The Department of Insurance every year (or this year twice) sets average benchmark rates for all industries in California. But just because the benchmark falls, does not automatically mean that you'll pay less premium.

Workers' comp insurers use three years of claims history for your organization to establish the price of your policy. The actual losses are compared with other companies in your industry.

If your past losses are below average, then the insurer gives you a credit that lowers the premium, but an added surcharge is applied to the premium if your losses are above average.

### Thinking you have no control over claims costs

Cost reduction starts at the hiring process. Use effective interview techniques and background checks to help ensure the right people are hired for the right jobs.

Focus on safety in all of your operations and have a return-to-work program to assist injured workers in getting back to work.

### Letting cost containment efforts lapse

Safety should be top of mind at all times. This will not only help your company reduce its claim numbers, but also keep its rates low over the long term.

Employers need to keep an eye on the issues that frequently affect the costs of claims, such as medical care costs and lost wages.

Also, remember that open claims continue accruing expenses and affect your X-Mod negatively.

### Not linking cost containment and retention

Studies have shown that fewer accidents occur among skilled workforces, but even skilled workers can have an accident.

A large part of whether or not an injured skilled employee returns to work is based on how their employer responds to them during and after recovery.

You can do this with an effective return-to-work program that maintains constant contact with injured workers and their health care providers to monitor how they're recovering and when and how they can get back to work as soon as possible.

Studies have found that employees who are kept in the loop with a return-to-work program and periodic phone calls about what workplace changes are occurring in their absence, are more likely to return.

Conversely, employees that feel forgotten, undervalued and disconnected aren't very likely to return quickly, if at all. ♦



*Continued from page 1*

## ACA Reporting Requirements Would Remain Unchanged

- Changes age rating bands to 5-to-1 (or higher as determined by states). That means that health plans could charge elderly enrollees up to five times as much as younger enrollees, compared to three times as much under the ACA.
- Keeps ACA rules such as barring discrimination for pre-existing conditions, no health underwriting and allowing children to stay on a parent's plan through age 26.
- Allows states to get waivers if they want to change or reduce the number of essential benefits that all health plans are supposed to include under the ACA.
- ACA reporting requirements for companies would remain unchanged. The ACA requires all applicable large employers to file annual reports to the IRS documenting the health coverage they provide to each employee. Similar forms must also be supplied to employees. Observers note that this provision may not be in the final version of the bill. ♦

## Workplace Safety

# How to Identify, Eliminate Slip, Trip and Fall Hazards

**W**HILE BIG-TICKET, dramatic claims make headlines, the reality is that run-of-the-mill workers' comp injuries end up costing employers the most.

That is especially true for slips, trips and falls. These claims account for nearly one-quarter of all workers' comp claims and some 300,000 workplace injuries every year, according to the National Council on Compensation Insurance. Slips, trips and falls also account for nearly 1,000 workplace deaths annually.

The average cost of a slip, trip and fall claim was \$21,800 in 2009, according to the most recent statistics from the National Safety Council.

There are a number of hidden costs as well, including lost productivity, the cost of additional overtime for workers that cover for their injured colleague, and hiring and training a replacement for when the worker is mending.

Also, the cost of one claim can send your company's X-Mod higher. With these grim statistics in mind, it should be a priority for your company to do all it can to minimize these expensive and easily avoidable claims. ♦



## High-risk Areas

- Floors that can become wet or oily.
- Where external grounds are slippery or uneven.
- Sloping surfaces.
- Work areas where lifting and carrying (and some other manual handling tasks, such as pushing and pulling) are performed.
- Areas where the work pace causes people to walk quickly or run.
- High pedestrian traffic areas.
- Unfamiliar locations, such as client workplaces.

## Prevention Tips

- Promptly clean up water or grease on floors.
- Install, maintain slip-resistant flooring in wet areas.
- Require staff to wear slip-resistant shoes in slip-prone areas, such as kitchens.
- Keep floors clean and uncluttered through housekeeping.
- Fix damaged or uneven floors and steps.
- Conduct regular checks of any steps, stools and ladders, and replace if broken.
- Make sure your cords and cables are not in walkways. Instead provide power, phone, and computer services from ducts in the floor or from the ceiling into individual work stations.
- Ensure adequate lighting in work areas, stairs, sidewalks and parking areas.
- Use walk-off mats at entrances and keep a supply of walkway cleaning items.
- Properly install and maintain stair hand rails and guardrails.

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## Personal Protection

# Identity Theft Goes Beyond Online: Shred Docs

**M**UCH HAS been made of people's identities being stolen through cyber attacks and other online means, but the majority of identity thefts are still being carried out the old-fashioned way by criminals finding documents bearing social security numbers and other personal information.

Identity theft is a growing problem with consumers reporting more than 490,000 incidents in 2015, up an astounding 47% from the year prior, according to the Federal Trade Commission.

Certainly, a good reason for this increase is online data theft, but a surprising number of Americans are still having their personal information stolen because of improper disposal of paper documents.

The best way to combat this kind of identity theft is by regularly shredding paper documents when it's time to dispose of them. But what documents should you shred and which ones can you just toss in the recycling bin? Here are our tips:

**Anything containing your social security number** – This is the number one bit of data that identity thieves want to get a hold of. With your social security number they can open checking accounts and credit cards – and sometimes even take out loans.

Your social security number can be found on a number of documents, including:

- Pay stubs
- Tax returns
- Medical bills
- Health insurance cards
- Loan statements

**Bank and mortgage statements** – First off, you should keep these statements for up to seven years for tax audit purposes.

After that time, there is no need to keep them and you should dispose of them.

These documents should be shredded. While they sometimes may contain your social security number, they do contain your bank account statements and crafty scammers can produce bogus checks that they can use to cash checks from your accounts.

**Utility and other bills** – Utility bills may contain personally identifiable information. Experts recommend that you keep these bills no more than a year. To avoid having your data exposed, you should then shred them.

**Anything with your signature** – It's highly recommended that you shred any documents that have your signature on them.

That's because a clever criminal can learn to copy your signature, and combined with other personally identifiable information they get their hands on, they could open accounts in your name and do real damage to your credit.

**Receipts** – While you may want to keep some receipts for your tax records, any others you don't need to shred and can toss into the recycling bin.

Credit card receipts don't contain your entire credit card number, so you don't run the risk of someone gaining access to your card should they come across these receipts. ♦

