



# The Kinloch Link

## Your Link to Employee Benefits News and Information

November 2008

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### Compliance Link:

#### Mark Your Calendars!

#### November

#### Summary Plan Description (SPD) – Timelines for Distribution

- **Newly covered participant of an existing plan:** due within 90 days of participant's effective date
- **Covered participant of a new plan:** due within 120 days of plan's effective date
- **Updated SPDs:** due every 5 years if material changes have been made within that period
- **Summary of Material Modifications (SMM):** due within 210 days of the end of the plan year in which the material modification was made

#### Massachusetts Health Care Reform – Employee Health Insurance Responsibility Disclosure (HIRD)

- **Employers must collect HIRD forms from all MA employees who waive health coverage 30 days after open enrollment:** [http://www.mass.gov/Eeohhs2/docs/dhcfp/g/hcr/employee\\_hird\\_08.pdf](http://www.mass.gov/Eeohhs2/docs/dhcfp/g/hcr/employee_hird_08.pdf).

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### Client Spotlight: Tulane University

#### Healthy Environment, Healthy Employees



*Tulane University in New Orleans is a highly regarded independent research university. With 11,000+ students and over 4,000 employees, Tulane has a tremendous impact on both the local community and global environment.*

#### Healthy Environment

Employees and students are involved in researching and developing new programs to "green the Tulane campus." Efforts to protect and preserve the environment reach the highest levels within the University. Scott Cowen, Tulane's President, signed the American College and University Presidents Climate Commitment in Spring 2008. This Commitment shows Tulane is working toward becoming a leader in campus sustainability by developing a comprehensive plan to become "climate neutral" within the next two years.

Tulane is also a member of the U.S. Green Building Council and its Lavin-Bernick Center for University Life was named a Top Ten Green Project by the American Institute of Architects Committee on the Environment. ([http://blog.nola.com/karengist/2008/09/awardwinning\\_tulane\\_student\\_ce.html#more](http://blog.nola.com/karengist/2008/09/awardwinning_tulane_student_ce.html#more)).

In 2007, Tulane began what is arguably the largest energy efficiency project in Louisiana since Hurricane Katrina. This project included lighting upgrades and improvements to heating/cooling systems, among other things, in efforts to reduce greenhouse gas emissions by 10% on one campus. Similar efforts are planned for other campuses. Campus-wide, offices and departments have brainstormed on ways to reduce energy use, like eliminating dining hall trays to reduce hot water usage.

Two comprehensive websites were created for those interested in reducing the University's environmental impact:

- **Green.Tulane.edu** (<http://green.tulane.edu/index.html>)
- **Recycle.tulane.edu** (<http://recycle.tulane.edu/>)

#### Healthy Employees

As the largest employer in New Orleans, Tulane also strives to have a positive impact on its employees' health. The University's benefits department recently rolled out TUWellness, Tulane's formal employee wellness program. In its early stages, the wellness committee collaborated to draft mission and vision statements, released an employee interest survey focused on wellness, and started a bi-weekly wellness newsletter.

Using feedback received from the employee survey, Tulane's wellness committee planned for a number of wellness activities throughout the year. They partnered with their health plan and a local Visiting Nurse Association (VNA) to host onsite biometric screenings, participated in the American Heart Association Walk, and held onsite wellness seminars.

The committee also has been diligent at planning wellness activities for 2009 and beyond. They recently secured funding for a formal walking program. This new program will provide opportunities for employees to participate in organized walking events, track activity and monitor ongoing progress. Additionally, an onsite Wellness Coordinator will be responsible for coordinating the program and assisting employees who participate.

For information on how you can further your company's commitment to wellness and the environment, please contact Kinloch.

## It Is Easy Being Green



Being environmentally sensitive does not have to be complicated or expensive...see our tips below for some easy ways to go green in November.

### Green Office:

- According to SHRM's 2007 Green Workplace Survey, 50% of organizations have a formal or informal environmental responsibility policy – be a champion for your company's policy or start one!
- File your Kinloch Link newsletters, and other important resources, online instead of in paper files
- Set your monitor to "sleep" after a few inactive minutes and power down everything when you leave
- If you are responsible for ordering supplies, use recycled products whenever possible
- Green your morning caffeine – buy a reusable mug at your favorite coffee shop

### Green Home:

- Buy products in recyclable containers and be sure to recycle them. Looking for local recycling centers? Check out <http://earth911.org/>
- Go with reusable instead of disposable whenever possible (plate/cups, razors, cameras, etc.)
- Consider an eco-friendly Thanksgiving
  - Save on gas/emissions by celebrating at home instead of traveling (if your neighbors are staying home too, invite them over)
  - Treat your family to a locally-grown feast
  - Serve the meal on reusable china with cloth napkins
  - Compost food scraps for your spring garden and grow your own pumpkin next year!

### Green World:

- When considering your decision on November 4th, review the candidates' policies on conservation and other environmental issues
- Breathe clean and green! November 20th is the American Cancer Society's Great American Smokeout – save your lungs, clear the air and no more messy cigarette butts <http://www.cancer.org/docroot/subsite/greatamericans/Smokeout.asp>
- The holiday season adds millions of tons of waste to our nation's landfills. Instead of the usual wrapping and packaging, give gifts in cloth bags, reuse wrapping paper or just wrap with newspaper or old grocery bags that can be recycled

## Ask Kinloch – November Issue



**Question:** How will the recent changes to the Mental Health Parity Act impact our medical plan?

**Answer:** In the September Kinloch Link, we reported that new provisions of the Mental Health Parity Act (MHPA) were expected to be passed when Congress reconvened. In an unexpected turn, expansion of the

MHPA came as part of the landmark Emergency Economic Stabilization Act of 2008 signed into law on 10/3/08, amending MHPA provisions in ERISA, the PHSA and the IRC:

- Sunset provision has been eliminated; the existing law will not expire on 12/31/08
- Effective for plan years beginning after 10/3/09, if mental health/substance abuse coverage is included:
  - Mental health (MH) parity provisions apply to substance abuse (SA) disorder benefits
  - MH/SA deductibles, copayments, coinsurance, out-of-pocket limits and treatment limits (e.g., visit or day limits) cannot be more restrictive than those that apply to substantially all other covered medical/surgical benefits; separate MH/SA cost-sharing arrangements or treatment limits are no longer allowed
  - If out-of-network coverage is available for medical/surgical benefits, then out-of-network coverage must be offered for MH/SA benefits
  - Criteria for MH/SA medical necessity determinations and denials must be made available to participants/beneficiaries upon request or as required

Two exemptions are included: small employer exemption and cost exemption. Small employers, those with less than 50 employees, are not required to comply with the new parity requirements. The cost exemption applies only if the plan complied with the parity requirement for the plan year's first 6 months and if an actuary determines that the increased cost of compliance exceeds (1) 2% of the actual total plan costs in the first year of compliance, AND (2) 1% in each of the subsequent plan years. Few of our clients' plans will fall into either exemption.

While the MHPA previously restricted different annual/lifetime MH benefits, many plans maintained MH copayment differentials, treatment limits and separate SA benefit limits. Therefore, many plans – fully-insured and self-insured – require amendment to comply with these changes, which will be effective on 1/1/10 for calendar year plans. Contact your Kinloch consultant for more information.