

CHAMBERCARE

INDIANA MEWA REGULATORY COMPLIANCE GUIDE

This document describes how key regulatory compliance obligations are satisfied for participating ChamberCare Health Alliance MEWA employers and highlights the specific actions required by all participating employers.

Annual Compliance Items:

1. Form 1094 and 1095 Preparation

All entities that provide minimum essential coverage to an individual during a calendar year must file an information return with the IRS reporting the coverage. Filers use Form 1094-B (transmittal) to submit Form 1095-B (returns). ChamberCare will manage the filing of the 1094-B and 1095-B with the IRS. Please consult your accountant, tax professional, or payroll vendor for further details and assistance with 1094 and 1095 reporting requirements.

1095-B forms are available to employees upon request. Members can contact ChamberCare Member Services to request a copy of their form.

- Actions required by employer:
 - The 1095-B form is no longer required to be distributed via paper to employees. Employees may access their 1095-B electronically via <https://easyacadoocs.com/siho>.

2. Form 5500 Series

The MEWA will prepare and file a Form 5500 for the Trust, which files as a Direct Filing Entity (DFE). This filing summarizes the financial results of the entire MEWA and includes an audited financial statement. The MEWA will also prepare and file on behalf of each participating employer Form 5500-SF (Short Form), which reports the employer's pro-rata share of the financial results for the entire MEWA. Filed copies of each Form 5500-SF, as well as the Form 5500 for the DFE, may be obtained electronically from the U.S. Department of Labor's website at <https://www.efast.dol.gov/5500search/>. Certain groups that are not subject to ERISA requirements (for example: governments, churches, and sole proprietors without employees) will be excluded from Form 5500-SF filings.

- Action required by employer:
 - None

3. Summary Annual Reports

Following the submission of Form 5500-SF, the MEWA will also prepare and distribute to each employer their Summary Annual Report, which summarizes the information filed in their Form 5500-SF. These reports will be distributed electronically via the ChamberCare Employer Portal. Upon receipt, Participating Employers are required to distribute copies to all employees enrolled in the benefit plan via hand-delivery, U.S. Mail, or electronically, in accordance with ERISA's recommended electronic disclosure rules, which are available at <https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-03>.

- Action required by employer:
 - Distribute copies of the Summary Annual Report to enrolled employees.

4. U.S. Department of Labor Form M-1

MEWAs are required to file Form M-1 with the U.S. Department of Labor annually, which provides custodial and financial information about the MEWA as well as information regarding compliance with Part 7 of ERISA. The M-1 filing is completed by the MEWA, and no separate action is required by participating employers. Filed copies of Form M-1 are publicly available and can be accessed at <https://www.askebsa.dol.gov/epds/>.

- Action required by employer:
 - None

5. PCORI Excise Taxes (IRS Form 720)

Self-insured health plans are subject to federal excise taxes for Patient-Centered Outcomes Research fees (commonly referred to as PCORI fees) assessed annually every July 31. The MEWA files and pays PCORI fees in total for all participating employers, and no separate excise tax filings (IRS Form 720) are required by the participating employers.

- Action required by employer:
 - None

6. Creditable Coverage for Medicare-eligible Individuals

To help individuals who are eligible for Medicare make an informed decision about their available medication coverage options, you are required to let them know whether their current prescription drug plan is "creditable" or "noncreditable." A noncreditable prescription plan means that, on average, a Medicare-eligible individual would pay more for drugs if their prescription coverage was through a noncreditable plan rather than a Part D Medicare plan.

An annual Notice of Non-Creditable Coverage must be provided to Medicare-eligible individuals if their current prescription drug benefit is classified as noncreditable coverage. SIHO will disclose to brokers at the point of initial sale and at each renewal which MEWA benefit options are creditable and which are noncreditable. If a noncreditable option is selected, the MEWA will provide the employer with an electronic copy of a Notice of Non-Creditable Coverage, which must be distributed to Medicare-eligible individuals. These notices will be included with other information about the selected benefit plans and are accessible in the ChamberCare Digital Benefit Guide.

This information must also be recorded with the Centers for Medicare & Medicaid Services (CMS). Employers are required to complete the Disclosure to CMS form accessible on the CMS website, available at <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage>, unless your organization is exempt, as outlined in the disclosure to CMS guidance.

- Actions required by employer:
 - Provide Medicare-eligible employees with the annual notice of Non-Creditable Coverage if their current prescription drug benefit is classified as non-creditable coverage.
 - Complete the Disclosure to CMS form accessible on the CMS website, linked above, unless your organization is exempt as outlined in the Disclosure to CMS guidance.

Ongoing Compliance Items:

7. COBRA or State Continuation Coverage

The MEWA has contracted with SIHO to administer COBRA and state continuation (when applicable) on behalf of all COBRA Eligible Employers at no additional charge. The Participating Employer shall provide the selected continuation vendors with all such information requested to properly advise qualified beneficiaries under COBRA, in writing, of their rights to elect and receive continuation coverage. The Participating Employer is exclusively responsible for the accuracy and completeness of the information provided to the selected continuation vendors.

- Action required by employer:
 - Provide the continuation vendor with requested information, when applicable.
 - Employee communications will come from cobra@chambercare.org.

8. Enrolled Employee Census Maintenance

The MEWA requires Participating Employers to maintain the enrolled employee census, with employee additions, changes and deletions processed through the ChamberCare Employer Portal. This function may also be performed by your broker.

- Action required by employer:
 - Provide timely enrollment updates for all additions, changes, and deletions using the ChamberCare Employer Portal.

9. Non-Discrimination

The MEWA supports various state and federal requirements to not discriminate in favor of highly compensated employees in the provision of employee health benefits. This means "classing" of employees for purposes of providing different levels of benefits or employer contribution levels is not permitted. All eligible employees must be offered the same set of health benefit plan coverages. All eligible employers must use a flat dollar contribution rate that is coordinated with only the contract type (e.g., single or family contribution rates). If in doubt as to whether a practice or policy is discriminatory, contact legal counsel specializing in employee benefits.

10. Document Distribution

The MEWA makes available to the Participating Employer various documents including, Summary Benefit Comparisons, Summary Plan Documents (containing Important Facts, a Schedule of Benefits, a Benefit Book with detailed benefit descriptions), and a Plan Document. Annual required notices are emailed annually to the employer contact on file. When the MEWA provides these documents, they should be distributed to your eligible employees via hand-delivery, U.S. Mail, or electronically in accordance with ERISA's recommended electronic disclosure rules, which are available at <https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-03>. Electronic copies of all these documents prepared by the MEWA will be accessible on the ChamberCare Employer and Member Portals.

11. Transparency in Coverage and Consolidated Appropriations Act

The MEWA and its self-funded health plans are subject to the Consolidated Appropriations Act and Transparency in Coverage final rule promulgated by the Department of Labor, in conjunction with the Department of Health and Human Services (HHS) and the Department of Labor (the "Tri-Agencies"). SIHO and the MEWA plan to jointly address new compliance reporting obligations of these rules without the need for separate reporting by any participating employer.