News and Industry Insights

June 2017

HHS Update: International Cyber Threat to Healthcare Organizations

HHS issued an initial alert on the newest Cyber Threat. According to numerous open-source reports, a widespread ransomware campaign is affecting various organizations with reports of tens of thousands of infections in as many as 74 countries, including the United States, United Kingdom, Spain, Russia, Taiwan, France, and Japan. The software can run in as many as 27 different languages.

The latest version of this ransomware variant, known as WannaCry, WCry, or Wanna Decryptor, was discovered the morning of May 12, 2017, by an independent security researcher and has spread rapidly over several hours, with initial reports beginning around 4:00 AM EDT, May 12, 2017. Open-source reporting indicates a requested ransom of .1781 bitcoins, roughly $300 U.S.

The Alert is the result of efforts between the Department of Homeland Security (DHS) National Cybersecurity and Communications Integration Center (NCCIC) and the Federal Bureau of Investigation (FBI) to highlight known cyber threats. DHS and the FBI continue to pursue related information of threats to federal, state, and local government systems and as such, further releases of technical information may be forthcoming.

How can I help protect myself from email-based ransomware attacks?

Ransomware can be delivered via email by attachments or links within the email. Attachments in emails can include documents, zip files, and executable applications. Malicious links in emails can link directly to a malicious website the attacker uses to place malware on a system. To help protect yourself, be aware of the following:

- Only open up emails from people you know and that you are expecting. The attacker can impersonate the sender, or the computer belonging to someone you know may be infected without his or her knowledge.
- Don't click on links in emails if you weren't expecting them – the attacker could camouflage a malicious link to make it look like it is for your bank, for example.
- Keep your computer and antivirus up to date – this adds another layer of defense that could stop the malware.

How can I help protect myself from open RDP ransomware attacks?

Recently, attackers have been scanning the Internet for Remote Desktop Protocol (RDP) servers open to the Internet. Once connected, an attacker can try to guess passwords for users on the system, or look for backdoors giving them access. Once in, it is just like they are logged onto the system from a monitor and keyboard. To help protect yourself, be aware of the following:

- If you do not need RDP, disable the service on the computer. There are several ways of doing this based on which version of Microsoft Windows you are using.
- If RDP is needed, only allow network access where needed. Block other network connections using Access Control Lists or firewalls, and especially from any address on the Internet.
- To find which version of Microsoft you are using: https://support.microsoft.com/en-us/help/13443/windows-which-operating-system

In a related matter, the U.S. Department of Health & Human Services (HHS), Office for Civil Rights (OCR) has developed a checklist and a corresponding infographic that explains the steps for a HIPAA covered entity or its business associate (the entity) to take in response to a cyber-related security incident.

2016 PCORI Fee Due by July 31 with IRS Form 720

It's that time of year again for self-funded group health plan sponsors to prepare IRS Form 720 and submit the plan's PCORI payment by July 31, 2017.

What is PCORI for?

The purpose of PCORI, established under the Affordable Care Act in 2010, is to fund comparative effectiveness research (CER) and effectively communicate their findings to provide patients, caregivers and clinicians with the evidence-based information needed to make better-informed health care decisions. Simply put, CER compares two or more different ways of treating the same condition to see which one works best, and to eliminate waste and inefficiency.

How is the PCORI Fee Calculated?
The fee is equal to the average number of lives (participants and dependents) covered under the plan times the applicable dollar amount/covered life shown below, depending on the health plan year: Tucker Administrators has been tracking the headcounts and provides the headcount report and amount due for you to prepare the IRS return and remittance.

How is the PCORI Fee Paid?
The information is entered on the IRS Form 720 Quarterly Federal Excise Tax Return. The Form 720 return will cover plan years that end during the preceding calendar year. The return should be filed no later than July 31.

Tucker Administrators is providing the headcounts and the amount due to our clients, and the plan sponsor will then file the Form 720 (Second Quarter) and remit the fee amount to the IRS.

Form 720 may be filed electronically. For more information, click on the Form 720 Instructions below.

Below are links to the Form 720 and Instructions:

- IRS Form 720 Quarterly Federal Excise Tax Return Rev. April 2017
- IRS Form 720 Quarterly Federal Excise Tax Return Rev. April 2017 Instructions

New Benny Card Accountholders Access Requirements

WEX Health, the company that issues the Benny Card for FSA accounts, has released an announcement regarding Internet Explorer (IE) updates.

MICROSOFT INTERNET EXPLORER COMPATIBILITY

Anyone using Microsoft Internet Explorer to access his or her Benny Card account will require Microsoft Internet Explorer 11 or higher by November 11, 2017.

When Microsoft issues security patches, the patches only support Internet Explorer (IE) 11. This is a key driver to the changes WEX Health is making to ensure data security. Using IE versions that are older than IE 11 could result in data security risks.

This update requirement is only for Internet Explorer. There is no change to the requirements for other browsers, specifically Chrome, Firefox, and Safari.

FSA Tips: How to Use It so You Don't Lose It

Are employees getting the most out of their FSAs? They have made their annual election for the health Flexible Spending Account (FSA), and as the plan year winds down, maybe it's time to remind them not throw any of that money away. Depending on the type of FSA plan you have, you could lose it if you don't use it.

The health Flexible Spending Account (FSA) is a benefit that allows employees to use pre-tax dollars to pay for medical expenses that are not covered by the health plan or elsewhere within the stated plan year. How unused election dollars are treated depends on the plan sponsor's choice of FSA plan design. There are more options now than the traditional "use it or lose it" rule to manage amounts remaining in their accounts at the end of the plan year:

1. Annual election is made for the plan year. It must be used for services rendered by the end of the plan year. Any unused amounts remaining at the end of the year will be lost. This is the original plan design

2. Annual election is made for the plan year. It must be used for services rendered by the end of the plan year plus an additional 45-day grace period.* Any unused amounts remaining at the end of the grace period will be lost.

3. Annual election is made for the plan year. At the end of the year, the participant may roll over up to $500 (amount at the discretion of the plan sponsor) of any unused funds to the next plan year.*

*Section 125 regulations state that plans may offer the rollover or the grace period provision, but not both.

Plan #3 gives the participant the most flexibility whereas plans # 1 and 2 require more careful planning to estimate the amount of unreimbursed medical expenses to avoid any forfeitures. To take full advantage of all FSA plan designs, it might be useful to remind employees of items that are FSA-eligible a few months before the end of the plan year. Most employees know the usual expenses that can be reimbursed with an FSA such as deductibles, copays, orthodontia, and glasses (if not covered elsewhere). However, what about eligible expenses such as mileage to and from medical appointments (for the employee or taking a child), breast pumps, pregnancy test kits, walking canes and crutches?

Providing a list of eligible and ineligible expenses may be helpful. Tucker Administrators has a reader-friendly list of FSA eligible and ineligible items. The FSA Store also offers FSA-eligible items for purchase and has a search feature that allows the FSA participant to search for a particular item. Purchases are made with an FSA-prepaid benefits (debit) card, such as the one offered to Tucker Administrators FSA clients.

Showing employees how to use their FSA dollars more effectively helps them become educated consumers of health care. The FSA is a unique product because it adds value to the employer's benefit portfolio by reducing taxes to the employee and gives the employer substantial tax relief. The employer's FSA tax savings can often help offset the cost of the administration fees.

If you would like more information about what an FSA can do for your company or client, please contact us at 704-525-9666

Group Employee Health Risk Management

Tucker Administrators :: Home

Tucker Administrators is a third party administrator that provides the tools needed to help employers, brokers and consultants reduce group health plan costs and promote employee health. Want to know more about us?

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