Global Health Update

This bimonthly Update summarizes recent legislative developments and trends related to health care and highlights recently passed and pending legislation that may require employers to take action to comply with new rules or review existing plans.

Recent Developments

Africa and the Middle East

Bahrain

National health insurance scheme outlined.

The Chairman of the Supreme Council for Health announced plans to establish a national health insurance program in early 2019. Following a study of worldwide best practices, a working group will devise a scheme, and then the relevant agencies will draw up a national health insurance law and hold public consultations. Basic coverage would be mandatory under this scheme with the government making contributions for Bahraini citizens and employers contributing for their expatriate workers.

Lebanon

Drug subsidies initiated.

The National Social Security Fund (NSSF) will fully cover the costs of medication for four common "incurable" diseases; cancer, sclerosis, pulmonary hypertension, and pulmonary fibrosis. This is presented as the first step of a program still at the discussion stage that would reimburse NSSF members 100% for all medications that cost more than LL 640,000 (US $420).

Saudi Arabia

Health coverage expansion plan/Income tax for expatriates mulled.

An existing mandatory health insurance scheme is being superseded by a new health insurance system that will plug more coverage gaps. Private-sector companies must already supply health coverage for both Saudi nationals and expatriates, but many workers, particularly nationals, are not covered. The Council of Cooperative Health Insurance (CCHI) and the General Organization for Social Insurance (GOSI) are coordinating their data for a system on employer health insurance responsibility being rolled out from July 2016 through April 2017. There are some coverage changes/clarifications under the new system:
• Singles-only contracts are no longer allowed. People who marry and have children while employed are entitled to add their dependants to coverage, no matter how many wives or children they have.

• A female worker may add an unemployed spouse to her coverage, but may not add her children to her plan if they are covered under the husband’s plan.

• A company is not obliged to provide coverage for an employee’s dependent parents or siblings.

• Pregnancy and delivery coverage are obligatory.

• The requirement to provide health insurance to workers until they reach age 60 no longer sets an age cap for mandatory coverage, just continued employment.

Incidentally, a previously rejected plan to impose an income tax on expatriates is once again under study. The government’s new economic reform plan calls for introducing the tax by 2020, but the Finance Ministry said that there has not yet been a firm decision on this move.

**Sudan**

Consultation on universal health insurance.

The National Health Insurance Fund (NHIF) and the Ministry of Health are consulting with stakeholders on key aspects of draft regulations for implementing the mandatory health insurance law that was passed earlier this year. The scheme will require private-sector employers to provide health insurance coverage to all their employees. The range of services to be included in basic coverage is still undetermined, but relief from catastrophic medical bills is part of the goal. Financing is still unresolved, though the NHIF has been looking into a capitation option.

**United Arab Emirates**

Deadline deferred for Dubai mandatory health insurance.

The final stage in the introduction of Dubai’s mandatory basic health insurance scheme, which was to have come due this month now has a grace period until December 31, 2016. By that date, individuals, all dependents of employees and all domestic workers must have health coverage provided by the employer/sponsor.

In addition, the Dubai Health Authority (DHA) has advised the health insurance sector that it is illegal to deny coverage under the essential health benefit (EHB) packages designed in compliance with the national health insurance scheme to people with disabilities or special needs.

**Americas**

**Brazil**

Health insurer regulations now in force.

Normative Resolution N° 395, which took effect on May 15, 2016, set minimum standards for customer service in the private health insurance sector:

• Major population areas, including the state capitals, must have customer centers with office hours on weekdays.

• Large insurers must have 24/7 call centers and smaller ones must have lines open during normal business hours.

• The National Health Insurance Agency (ANS) sets limits for coverage request response time and a denial of service must be delivered along with citation to the clause justifying it within 24 hours.

• The insurer must maintain records of service to the customer and be able to deliver them within a tight time frame.
The schedule of fines for noncompliance runs up to R$100,000.

**Canada**

**Palliative Care Framework Legislation**


This bill purports to provide for the development and implementation of a framework designed to guarantee all Canadians access to high-quality palliative care.

As a result of the Supreme Court of Canada decision in *Carter v. Canada*, the federal government was required to introduce legislation related to medical assistance in dying. The federal government has previously introduced Bill C-14, *An Act to amend the Criminal Code and to make related amendments to other Acts (medical assistance in dying) to address Carter v. Canada*.

The Final Report of the External Panel on Options for a Legislative Response to *Carter v. Canada* emphasized the importance of palliative care in the context of physician-assisted dying. The Final Report stated that a request for physician-assisted death cannot be truly voluntary if the option of proper palliative care is not available to alleviate a person’s suffering. Bill C-277 has been proposed to address the issues associated with palliative care in Canada.

Please note that this is a private member’s bill and it may not have the support required to become law.

Source: Bill C-277, *An Act providing for the development of a framework on palliative care in Canada*.

*Courtesy of Aon Canada*

**Bill Would Limit Genetic Testing.**


As previously reported, this bill was introduced in the Senate on December 8, 2015. It was passed by the Senate with amendments on April 14, 2016.

This bill purports to prohibit any person from requiring an individual to undergo a genetic test or disclose the results of a genetic test as a condition of providing goods or services to, entering into or continuing a contract or agreement with, or offering specific conditions in a contract or agreement with, the individual. Exceptions are provided for health care practitioners and researchers. The enactment provides individuals with other protections related to genetic testing and test results.

The bill purports to amend the Canada Labor Code to protect employees from being required to undergo or to disclose the results of a genetic test, and provides employees with other protections related to genetic testing and test results. It also amends the *Canadian Human Rights Act* to prohibit discrimination on the ground of genetic characteristics.

*Courtesy of Aon Canada*

Source: Bill S-201, *Genetic Non-Discrimination Act*.

**Puerto Rico**

**New Business to Business Tax for Health Plan Administration Services.**
As of October 1, 2015, Puerto Rico Act No. 27 of May 29, 2015 mandates that all charges for services rendered between merchants be subject to a 4% Sales and Use Tax (“SUT”). While the law exempts insurance, insurance commissions, and related insurance services from the SUT, the market has acted to interpret that contract for administrative services between a plan sponsor and plan administrator fall outside of this exemption. This considers that in administrative services only (ASO) or self-insured financial agreements the vendor does not insure the plan sponsor’s risk, but instead collects an administrative fee in exchange for access to the vendor’s provider network, assistance with claims processing, among other services.

The SUT is also being applied to any subcontracted administrative service that is provided to the plan sponsor as part of the contracted fees. This includes services such as: Employee Assistance Programs (EAP), pharmacy benefit managers (PBM), and nurse line services, among other administrative services.

The Act stipulates that effective April 1, 2016, this tax rate will increase to 10.5%. However, on March 8, 2016, the Treasury Secretary, Juan Zaragoza Gómez, announced that he would be extending the effectiveness of the in-force SUT until May 31, 2016. As a result, the Value Added Tax (VAT or “IVA”) of 10.5% became effective on June 1, 2016.

Courtesy of Aon Puerto Rico

United States

Small Business Health Care Relief Bill Passed by House.

On June 21, 2016, the House passed H.R. 5447, the Small Business Health Care Relief bill. Under the bill, small businesses with fewer than 50 employees would be able to give employees pre-tax dollars through a Health Reimbursement Arrangement (HRA) and employees could use those HRA funds to purchase a health plan in the individual market. Currently, employers that offer such HRA arrangements may be subject to an excise tax. Under the bill, employees would also be able to use the HRA funds to pay out-of-pocket costs for medical care and services. Reimbursement payments would be initially capped at $5,130 ($10,260 for arrangements providing for reimbursements for an employee’s family members), but indexed for inflation in future years.

H.R. 5447 is available here.

Courtesy of Aon US


Please click here for the full report.

Departments Issue Proposed Regulations on Expatriate Health Plans.

On June 9, 2016, the Departments of Treasury, Labor, and Health and Human Services (the Departments) released proposed regulations on the rules for expatriate health plans, expatriate health plan issuers, and qualified expatriates under the Expatriate Health Coverage Clarification Act of 2014. The guidance also proposes standards for travel insurance and supplemental health insurance coverage to be considered excepted benefits and revisions to the definition of short-term, limited-duration insurance for purposes of the exclusion from the definition of individual health insurance coverage. The proposed regulations affect expatriates with health coverage under expatriate health plans and sponsors, issuers and administrators of expatriate health plans, individuals with and plan sponsors of travel insurance and supplemental health insurance coverage, and individuals with short-term, limited-duration insurance. Additionally, the regulations also propose to amend a reference in the final regulations relating to prohibitions on lifetime and annual dollar limits and propose to require that a notice be provided in connection with hospital indemnity and other fixed indemnity insurance in the group health insurance market for it to be considered excepted benefits. Comments on the proposed regulations are due by August 9, 2016.

In other news, on June 8, the Centers for Medicare and Medicaid Services (CMS) released a fact sheet related to the proposed regulations, as well as a series of other actions meant to strengthen the Exchange risk pool.
New Occupational Safety and Health Administration (OSHA) injury reporting requirements.

The OSHA has issued final rules requiring employers in certain industries to submit their workplace injury and illness data to OSHA electronically. They already provide this data to OSHA on 300A forms, but the online submissions will allow OSHA to analyze the data and to post it publicly. Those enterprises with at least 250 workers must submit their 2016 Form 300A by July 1, 2017 and the 2017 form by July 1, 2018 but from 2019, the due date will be March 2. Companies in specified high-risk industries must make these disclosures if they have 20 or more employees. These same two sets of companies have an August 10, 2016 deadline for advising their employees of their right to report workplace injuries without retaliation.

EEOC Issues Final Regulations on How Wellness Programs Can Comply With GINA and ADA.

On May 16, 2016, the Equal Employment Opportunity Commission (EEOC) issued final regulations on how wellness programs can comply with the Genetic Information Nondiscrimination Act (GINA) and the Americans with Disabilities Act (ADA).

GINA: The final rule amends the regulations implementing Title II of GINA as they relate to employer-sponsored wellness programs. This rule addresses the extent to which an employer may offer an inducement to an employee for the employee’s spouse to provide information about the spouse’s manifestation of disease or disorder as part of a health risk assessment administered in connection with an employer-sponsored wellness program. Several technical changes to the existing regulations are also included. The final rule is effective July 18, 2016, and is applicable beginning on January 1, 2017.

ADA: The final rule amends the regulations and interpretive guidance implementing Title I of the ADA to provide guidance on the extent to which employers may use incentives to encourage employees to participate in wellness programs that ask them to respond to disability related inquiries and/or undergo medical examinations. The rule applies to all wellness programs that include disability related inquiries and/or medical examinations whether they are offered only to employees enrolled in an employer-sponsored group health plan, offered to all employees regardless of whether they are enrolled in such a plan, or offered as a benefit of employment by employers that do not sponsor a group health plan or group health insurance. The final rule is effective July 18, 2016, and is applicable beginning on January 1, 2017.

The GINA final rule is temporarily available here.

Asia

Australia

Non-super budget measures.

A few interesting 2016–17 Budget provisions have emerged from the shadows of the super reform package:

- The Streamlined Pathway to Permanent Residence would make New Zealanders living in Australia for five years and earning A$53,000 or more eligible for residency.
- A six-year continuation of the freeze on Medicare rebates is expected to increase co-payments.
- The Medicare levy low-income threshold will rise to reflect CPI growth.
China

Indoor smoking ban proposed.

The National Health and Family Planning Commission is consulting with relevant government departments on its draft legislation to ban smoking in all public enclosures nationwide. Opponents of the bill charge that it is not strong enough, allowing loopholes for private offices and sectioned-off areas of bars and restaurants. The commission is being urged to model the legislation more closely after the strict indoor smoking rules already in place in Beijing for over a year. The Beijing ban has seen surprisingly strong compliance and public support.

Health reform agenda.

The State Council has agreed on a set of measures to further its national health reform agenda. A national network for health insurance settlement will promote greater internal mobility because reimbursements under medical insurance are only available now in the area where the insurance was purchased. Critical illness insurance will be introduced for all people, a centralized drug procurement arrangement will be established for public hospitals, and a pilot project for urban public hospital financing reform will be doubled to involve 200 cities.

Myanmar

Insurance market reform.

The state's monopoly on the insurance sector formally ended in 2012 but restrictions on what the private insurance sector may offer have stunted its growth, limiting it to a handful of life and general insurance products. A parliamentary committee has now been tasked with drafting laws to strip all unnecessary regulations, including restrictions on the types of insurance and size of policies that the private insurance sector may market. This should spur dramatic expansion.

Europe

Croatia

Health reforms stalled.

Health reform measures, including a sharp premium hike for supplementary health insurance that was slated to go into effect on May 1, 2016, have now been postponed following public pressure over both their substance and the lack of public consultation. They were part of an economic reform package drawn up for review by the European Commission and they still have the government’s backing but their prospects are uncertain.

Finland

Health reform proposal.

A working group has reported to the Ministry of Social Affairs and Health on scenarios for freedom of choice in health care and social welfare. Social and health centers, either public or private sector, would feature basic health care with general practitioners serving as gatekeepers to specialists. The centers would also encompass rehabilitation, wellness, and mental health services. Choice could also extend to other services such as dental care and home health care. The choice of provider would make the system more competitive. One would be able to change providers once every six months. The funding models are generally variations on capitation with some of the health budgets devolving to the regions. This coincides with an initiative to improve the accessibility and quality of emergency care and specialist care. At this point, it is still somewhat uncertain how exactly the new health care system will function as there are open questions regarding e.g. funding.
Germany

New measure to combat health sector corruption.

The Bundestag has passed in final reading amendments to the Criminal Code to combat corruption in the health sector. Any medical professional who accepts a payment for preferential use of prescription drugs, treatments, or medical devices could face a fine or up to five years' imprisonment. This followed a court ruling that flagged the absence of reference to health professionals in the commercial bribery law. The bill is now before the Bundesrat.

For More Information

For more information on the topic and countries in this newsletter, please refer to the Aon Hewitt Country Profiles eGuide. You can learn more about the Country Profiles eGuide here.

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