VOLUME 18, ISSUE 3 NOVEMBER/DECEMBER 2023

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COUNTY OF ORANGE INSURANCE NEWS

AI in the Benefits & HR Space:

Protecting Private Data When Moving Toward Artificial Intelligence in the Workplace

ALSO IN THIS ISSUE:

✓ Legal Update From Marilyn Monahan
✓ Legislative Update: Governor Signs SB 770 – Single Payer Funding Bill
✓ November Webinar: Gag Clause Prohibition & Attestation Requirements Due December 31, 2023
✓ Holiday Member Cruise
✓ And More!

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TABLE OF CONTENTS

Thank you for being a part of CAHIP-OC!

What's Inside

Mark Your Calendars for CAHIP-OC November Webinar - November 14th and Holiday Cruise- December 12th!

PROTECTING THE CONSUMER'S FUTURE
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Making a Difference in People's Lives. One Member at a Time.

Our association is a local chapter of the National Association of Health Underwriters (NAHU). The role of CAHIP-OC is to promote and encourage the association of professionals in the health insurance field for the purpose of educating, promoting effective legislation, sharing information and advocating fair business practices among our members, the industry and the general public.

PRESIDENT'S MESSAGE

By: John Evangelista

As we approach the holiday season and the culmination of a busy year, I want to take a moment to thank all CAHIP-OC board members and general members for their commitment to our association. Together, we have had a terrific first half of the 2023-2024 fiscal year.

Looking back, we held a fantastic CE Day in September, with two tracks of engaging courses that provided valuable insight. Thank you to Ciaran O'Neill Patrick, Anne Kelly, and their committee members as well as Dorothy Cociu, for their endless efforts in organizing content that is engaging and relevant to CAHIP-OC members.

Coming up soon is our Holiday Lights Cruise on December 12. Join us as we celebrate the holidays in our privately charted boat, and view millions of holiday lights, hundreds of decorated yachts, and bay front estates in full decor. In the spirit of the season, we will also be holding a toy drive at this event. Please bring an unwrapped gift geared towards children under 10 and/or a gift card to a major retail store. Space is limited, so visit ocahu.org to secure your spot now.

While the insurance industry's fourth quarter can be demanding, it's essential to find a balance between our professional commitments and personal lives. During our busiest time of the year, let's remember to embrace this season of gratitude and togetherness. I encourage you all to make the most of this precious time with family and friends and cherish the moments spent with your loved ones.

On behalf of the entire CAHIP-OC board, I want to extend my warmest wishes for a joyful holiday season and a prosperous New Year. May this time be filled with laughter and love as you celebrate the magic of the holidays with those you hold dear.

Thank you for your continued dedication and commitment to CAHIP-OC. Together, we will make the upcoming year even more successful.

John D. Evangelista, LPRT

President, CAHIP-OC

##

CAHIP-OC Holiday Lights Cruise

Newport Harbor

December 12, 2023

Register Now!

Space is Extremely Limited!

See Page 19 for More Information!

November, 2023 Webinar

Gag Clause Prohibition & Attestation Requirements for Employers

Featuring Dorothy Cociu and Marilyn Monahan

1 Hour CE Approved

See page 21 for More Information!

Feature Article:

Artificial Intelligence in the Benefits & HR Space; Protecting Private Data When Moving Toward AI in the Workplace

By: Dorothy Cociu, RHU, REBC, GBA, RPA, LPRT
CAHIP-OC VP of Communications & Public Affairs

Artificial Intelligence is everywhere; growing more rapidly than anyone ever anticipated. It has become a part of our daily lives; whether seeing and using predictive text on your computers or phones or chat features while looking at prod-ucts or services online, and sometimes when getting those automated phone responses when you're stuck talking to machines instead of a real person when you really need a human being to discuss something with. Whether you view it as scary or innovative, frightening or fascinating, annoying or thought-provoking, it's here, and the possibilities of AI seem endless.

I recently sat in a Professionals in Human Resources (PIHRA) south Orange County meeting on AI with multiple speakers and a packed room. One of the speakers, doing an actual ChatGPT demonstration, asked the audience, full of HR pro-fessionals, to respond to a multiple-choice question on whether or not they or their organization were using some sort of AI program like ChatGPT. An overwhelming majority responded with "yes, but my boss doesn't know it!," which really got me thinking about how many HR Professionals and Benefits Professionals are actually using an AI program to help them with their jobs and have NOT gone through proper channels at work to verify they can be using it on company systems. Yes, on a number of functions, AI can work really well... For example, for assistance in narrowing job applicants to a manageable number or finding ways to evaluate perfor-mance without the human emotions, for streamlining claims and enrollment functions, designing health and other plans based on data analytics, and seriously reducing administrative burdens. Chatbots and virtual assistants can provide measur-able real-time support to plan participants, and AI algorithms can analyze data to tailor plans to meet the specific needs and preferences of a very diverse workplace. In production facili-ties, there is no doubt that AI can help with many routine and automated functions, but that is not the same as using AI in the areas of the workplace that work with confidential data, such as payroll, human resources, and benefits. Two ques-tions *always* need to be asked up front. 1). Are those AI pro-grams crossing privacy lines? 2). Do you need proper fire-walls put in place *before* you use AI? We'll examine these questions throughout this article and provide some real-world solutions to use AI effectively, but safely.

Artificial Intelligence Overview, Definitions & Terminology

Let's back up for a moment and start from the beginning, to assist those perhaps not as familiar with artificial intelligence and how it can help (or hurt) in the workplace.

What exactly is Artificial Intelligence? It is the intelligence of machines or software, as opposed to the intelligence of hu-mans or animals. It is also the field of study in computer science that develops and studies intelligent machines. AI is a tool that humans can use to help workflow and improve efficiencies. One thing to keep in mind is that AI doesn't au-tomatically replace people…. But it was recently said by IBM that "AI won't replace people -but people who use AI will replace people who don't," so that can be a concern for some.

Along the same definitional lines, Hybrid Intelligence crosses over the human intelligence (people, experiences, flexibility, creative functions, empathetic, instinctive or showing com-mon sense) with Machine Intelligence (fast, efficient, cheap, scalable, consistent) by using data and algorithms to assist humans in improvements or efficiencies.

You may have heard of Generative AI and wondered what that means. A Generative AI system is one that can inde-pendently "create" new and unique content based on the prompts given to it from massive datasets, such as ChatGPT.

Generative AI only generates or produces, but it does not create. Basically, it can only generate content based on in-formation fed to it by humans. Humans are the creative ones; robots use constant machine-learning tools and com-puter programming to respond to querying, prompt engi-neering and produce human-free response generation, in-cluding programs like ChatGPT. One of the most important components of this is "Prompt Engineering." What are you asking, or prompting, the program to do? These of course

Continued on page 13

Announcing CAHIP-OC's November Webinar - CAA Gag Clause Prohibition & Attestation

November 14, 12 noon 1 pm - 1 Hour of CE available

And

Holiday Lights Newport Cruise

December 12, 2023

5 pm-7:45 pm

See pages 19 and 21 for details!

Register Now at www.ocahu.org!

Single-Payer Healthcare Opposition

IN THE STATE OF CALIFORNIA

PROTECTING THE CONSUMER'S FUTURE
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65% **OPPOSE** a new law establishing single-payer healthcare *

54% **STRONGLY** oppose

OPPOSITION IS SHARED ACROSS:

GEOGRAPHIC REGIONS

POLITICAL AFFILIATION

GENDER

AGES 18–65+

AGE

LATINO/HISPANIC, BLACK/AFRICAN AMERICAN, WHITE/CAUCASIAN, ASIAN

61%	62%	63%

BECOME LESS LIKELY TO SUPPORT KNOWING:

61%	62%	63%
the government would take over the entire health care system	it eliminates employer paid health coverage	it will reduce health care quality and hinder medical advancement

Survey was conducted from November 5 through November 9, 2021 and consisted of 1,000 voters. Live, professional interviewers spoke both Spanish and English languages and called both mobile and landlines. The survey sample was stratified and has a margin of error of +/- 3.1% (95% confidence interval).

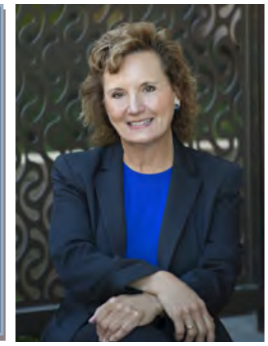
* Survey query: The California State Assembly is considering passing a new law that would eliminate the current health care system in California and replace it with a new system of government-run health care. All employer-based and public and private health coverage would be eliminated, with no guarantees Californians could keep their doctors or current benefits. The program would cost $400 billion a year – double the size of the entire state budget – and would be paid for by tax increases of roughly $100-150 Billion / year. Would you say that you support the new law or oppose it?

For more important information related to Single Payer or SB 770, signed into law this fall by California's Governor, see pages 24 & 25!

COIN COMPLIANCE CORNER

What Agents and Your Clients Need to Know!

Featuring Legal Briefs By Marilyn Monahan, Monahan Law office and HIPAA Privacy & Security & Related Updates by Dorothy Cociu, CAHIP-OC VP of Communications & Public Affairs



Legal Briefs

This is a summary of some recent developments of interest to consultants and employers—including reminders about some very important deadlines:

FEDERAL: HIGHLIGHTS

Affordable Care Act: Affordability Percentage: The Internal Revenue Service (IRS) announced the Affordable Care Act (ACA) affordability percentage for plan years beginning in calendar year **2024** (which includes calendar year plans). The 2024 percentage is **8.39%**--which is lower than the 9.12% rate in effect for 2023. The decrease in the affordability percentage could mean that some employers will have to lower the amount their employees are asked to contribute toward the cost of health coverage during the upcoming plan year, and employers will have to contribute more.

Medicare Part D Certificate of Creditable/Non-Creditable Coverage Notices: These notices must be distributed before October 15, 2023. This year, that means the notices must go out by **October 13, 2023**.

Medical Loss Ratio (MLR) Rebates: Any share of the medical loss ratio ("MLR") rebate that is due to plan participants must typically be distributed within **90 days** after receipt of payment from the insurer/HMO (and the insurer/HMO must distribute the monies by the end of September).

Form I-9: Employment Eligibility Verification: The Department of Homeland Security has issued a new version of the I-9. Employers must use the new version after **October 31, 2023**.

Department of Health and Human Services (HHS) Public Health Emergency (PHE): The HHS COVID-19 Public Health Emergency (PHE) ended on **May 11, 2023**. Among other changes, the end of the PHE means, at the federal level, that plans no longer have to cover COVID-19 diagnostic testing and

Continued on page 9

HIPAA/HHS/OCR Updates

In the only HHS/OCR Civil Monetary Penalty or Settlement case this issue, on September 11, 2023, September 11, 2023,THE HHS Office for Civil Rights Settled with L.A. Care Health Plan Over Potential HIPAA Security Rule Violations. LA Care, the largest publicly-operated health plan in the country, paid $1,300,000 to settle the case.

In this case, the U.S. Department of Health and Human Services' Office for Civil Rights (OCR) announced a settlement of potential violations of the Health Insurance Portability and Accountability Act (HIPAA) Rules with LA Care, the nation's largest publicly operated health plan that provides health care benefits and coverage through state, federal, and commercial programs. OCR enforces the HIPAA Privacy, Security, and Breach Notification Rules that set the requirements that HIPAA-regulated entities must follow to protect the privacy and security of protected health information (PHI). The settlement concludes two OCR investigations initiated from a large breach report and a media article regarding a separate security incident. Under the agreement, LA Care agreed to pay $1,300,000 and to implement a corrective action plan, discussed in further detail below, which identifies steps LA Care will take to resolve these potential violations of the HIPAA Security Rule and protect the security of electronic protected health information (ePHI).

"Breaches of protected health information by a HIPAA-regulated entity often reveal systemic, noncompliance with the HIPAA Rules," said OCR Director Melanie Fontes Rainer. "HIPAA-regulated entities need to be proactive in ensuring their compliance with the HIPAA Rules, and not wait for OCR to reveal long-standing HIPAA deficiencies. Entities such as LA Care must protect the health information of its insureds while providing health care for the most vulnerable residents of Los Angeles County through its coverage, which includes Medicaid, Medicare, and Affordable Care Act health plans."

The potential violations in this case included:

Continued on page 20

Compliance Corner - Legal Briefs Continued from page 8

vaccines without cost-sharing (although non-grandfathered plans must cover vaccines at no cost if provided by an in-network provider).

However, if you have a fully insured plan, the impact of the end of the PHE could be affected by state law. For example, last year the California legislature passed S.B. 510, and that bill extended coverage for COVID-19 testing, vaccines, and therapeutics when provided by an out-of-network provider for **6 months** beyond the end of the PHE (or until **November 11, 2023**) (for in-network providers, coverage is permanent). The DMHC and the CDI have issued facts sheets and other resources on this topic. Employers and enrollees should check with their carrier for more information on the impact of the end of the PHE on their coverage.

Gag Clause Prohibition Compliance Attestation: The Consolidated Appropriations Act, 2021 (CAA) requires both employer-sponsored group health plans and issuers to remove "gag clauses" from contracts with certain third parties, and to attest to the Departments of Labor, Treasury, and Health and Human Services (the "Departments") that they have removed the gag clauses from their contracts (the "Gag Clause Prohibition Compliance Attestation" or "GCPCA"). The first GCPCA is due no later than **December 31, 2023**. Subsequent attestations are due by **December 31** of each year, so please mark your calendars accordingly.

On-Line Price Comparison Tool: Both the Transparency in Coverage (TiC) Final Rule (issued in November 2020) and the CAA require employer-sponsored group health plans and issuers to provide participants with an on-line price comparison tool. The price comparison tool must be available for plan or policy years beginning on or after **January 1, 2024,** with respect to all covered items and services.

IRS Electronic Filing: Earlier this year the IRS issued final regulations on electronic filing requirements, and the new rules may change how you file certain documents in 2024. Under current rules, if you file fewer than 250 Forms 1094/1095, W-2s, or 1099s with the IRS, you can file the forms on paper. If you file 250 or more of each, you must file electronically. When calculating the 250 threshold, you look at each type of form separately.

The rules are changing for next year, however. For filings made on or after **January 1, 2024**, if you file 10 or more of any of these forms—or 10 or more of the forms added together—you must file electronically. For all intents and purposes, this means that all applicable large employers (ALEs) filing the Forms 1094/1095 will have to file electronically in 2024, and many other smaller employers that previously filed certain reports with the IRS on paper will have to make some changes for 2024. This may also require hiring a vendor to assist with the filing process because registering with the IRS to file electronically takes some time and effort.

FAQs about Affordable Care Act Implementation Part 61: The TiC Final Rule contained 3 machine-readable file (MRF) mandates. However, implementation of one of those mandates—relating to prescription drug payments—was delayed because of potential overlap with the RxDC reporting mandate in the CAA. These FAQs (issued on September 27th) explain that the delayed enforcement of the prescription drug MRF will now be addressed by the Departments on a case-by-case basis. So, plans and issuers should start taking steps to comply with this mandate.

FAQs about Consolidated Appropriations Act, 2021 Implementation Part 62: A group of providers in Texas challenged in court the Independent Dispute Resolution (IDR) process that is a part of the No Surprises Act (*Texas Medical Association, et al. v. United States Department of Health and Human Services*). The IDR process is a mechanism that plans/insurers and out-of-network providers can use to resolve payment disputes. In response to some rulings by the court, the Departments issued, on October 6th, this set of FAQs to provide guidance on how to implement the IDR process going forward.

Employer Reporting Improvement Act (H.R. 3801): There are some interesting bills pending in Congress this year, beginning with two that would ease the rules on the Forms 1094/1095 filing mandate.

H.R. 3801—the first bill we are summarizing which relates to the Affordable Care Act's IRS Forms 1094/1095 reporting mandate—was introduced in the House on June 5th by Representatives Smith of Nebraska and Thompson of California. It passed the House on June 22nd. H.R. 3801 has been referred to the Senate Committee on Finance. The bill would:

- **Allow reporting entities that cannot obtain TINs for covered individuals—such as the employee's spouse and dependents—to use full names and dates of birth instead.**
- **Allow employees to consent to distribute the Forms 1095-B and 1095-C electronically, unless revoked.**
- **Give employers 90 days to respond to an IRS 226-J letter, which informs employers of a proposed 4980H assessment.**

Continued on page 10

Legal Updates, Continued from Page 9

- **Establish a 6-year statute of limitations on 4980H assessments.**

Paperwork Burden Reduction Act (H.R. 3797): This bill—which also relates to the Affordable Care Act's IRS Forms 1094/1095 reporting mandate—was introduced on June 5th (by Representatives Smith of Missouri and Panetta of California), passed the House on June 21st, and was then referred to the Senate Finance Committee. The bill would:

- **Allow applicable large employers (ALEs) and issuers to use an alternative method for reporting Forms 1095-B and 1095-C.**
- **Under the alternative method (which is now in place by regulation for issuers who are required to distribute Form 1095-B) the reporting entity would provide notice that the forms are available (rather than mailing one out to everyone), and then must provide a copy within 30 days of a request.**

High Deductible Health Plans (HDHPs) and Health Savings Accounts (HSAs): There are several bills pending in Congress that ease the rules on the types of benefits that can be reimbursed below the statutory deductible limit for an HDHP without losing HSA eligibility. Some of the bills to watch include:

- **The Bipartisan HSA Improvement Act of 2023 (H.R. 5687): This bill would (a) clarify provisions in the IRC to allow individuals with HSAs to use those funds for direct primary care; (b) allow employers to provide chronic disease prevention and other services at on-site health clinics; and (c) permit HSA contributions even if a spouse has a health flexible spending account (health FSA).**
- **The HSA Modernization Act of 2023 (H.R. 5687):** This bill would (a) allow veterans to continue to contribute to a health savings account (HSA), even if they are receiving health care through the Department of Veterans Affairs; and (b) allow individuals over age 65 to contribute to an HSA, even if enrolled in Medicare Part A.
- **The Telehealth Expansion Act of 2023 (H.R. 1843):** This bill would permanently allow telehealth benefits to be paid below the HDHP statutory deductible without loss of HSA eligibility.
- **The Chronic Disease Flexible Coverage Act (H.R. 3800):** This bill would allow certain chronic disease prevention benefits to be offered pre-deductible without loss of HSA eligibility.

Marilyn Monahan will be our November Webinar Co-Presenter on November 14th!

CALIFORNIA: HIGHLIGHTS

State Disability Insurance (SDI) Withholding: S.B. 951 (Ch. 878), which was signed in 2022, increases benefits under the State Disability Insurance (SDI) program and the Paid Family Leave (PFL) program. In addition, to pay for the benefit increases, effective **January 1, 2024,** the bill repeals the wage ceiling on employee SDI contributions.

For reference, for 2023, the SDI withholding rate is 0.9 percent and the taxable wage limit is $153,164 per employee per calendar year (so the maximum amount withheld in 2023 would be $1,378.48). Next year, there will be no taxable wage limit for SDI contributions, so higher wage employees will contribute more than they have in the past.

California Fair Employment and Housing Act (FEHA): California's Civil Rights Council issued new regulations that amend FEHA's limitations on an employer's use of criminal background checks (these limitations were added by the 2018 Fair Chance Act). The regulations went into effect **October 1, 2023**.

Minimum Wage: The minimum wage in California is increasing to **$16.00** per hour effective **January 1, 2024**. This new minimum wage applies to all employers—unless the employer is subject to a higher municipal minimum wage rate. A number of municipalities in California adjust their minimum wage on January 1, and employers need to keep track of any applicable increase. Employers should also update their workplace posters to reflect changes in the minimum wage.

ALEs with a calendar year plan and heading into open enrollment season will need to take this increase in the minimum wage (or any higher rate imposed by a municipality) into consideration when making affordability calculations for the new plan year, particularly if the ALE relies on the rate of pay safe harbor to determine employee contribution amounts.

S.B. 793: Insurance: Privacy Notices and Personal Information (Ch. 184): The Insurance Information and Privacy Protection Act (IIPPA) requires insurance institutions and agents to send a privacy notice to applicants and policyholders. The privacy notice must explain the insurance institution's or

Continued on page 12

Don't Forget Our Upcoming Programs!

November 14—Webinar 12 noon—Gag Clauses with Dorothy Cociu & Marilyn Monahan

Holiday Lights Cruise December 12

See pages 19 & 21 for more information!

Legal Brief, Continued From Page 10

agent's privacy practices, and must include all the terms outlined by the law.

In 2003, after passage of the federal Gramm-Leach-Bliley Act (GLBA)—which requires financial institutions and insurers to explain their information-sharing practices to their customers and to safeguard sensitive data—the California Department of Insurance (CDI) finalized a set of regulations implementing the provisions of GLBA at the state level. Those regulations include a notice requirement which supplements the notice provision in the IIPPA, requires annual notices to customers, and describes what must in included in those notices.

This year, the legislature passed, and the governor signed, S.B. 793, which actually eases the notice requirements on insurance institutions and agents. First, S.B. 793 codifies the GLBA annual notice regulation; the new code section also describes what must be included in the notice. Second—and this is the really helpful part—under the terms of the new law, insurance institutions and agents no longer have to send out their privacy notice every year, if certain conditions are met. This latter change was made to reflect amendments Congress made to GLBA, and because there is a concern that if notices are sent too frequently they are ignored.

What are the conditions that must be met? After the initial privacy notice goes out, an annual notice does not have to be sent by the insurance institution or agent if (a) the privacy policy has not changed; (b) the privacy policy is easily accessible on their website; and (c) medical record, personal, or privileged information is not shared with nonaffiliated third parties. A few more details are outlined in the new statute. The statute also specifies that the notice does not have to be provided to a former customer with whom the institution or agent no longer has a continuing relationship.

A.B. 451: Insurance License Examinations (Chapter 136): A bill passed by the legislature in 2016 (A.B. 1899) required the CDI to provide license examinations for life agents and accident and health or sickness agents in Spanish, but with a sunset date of January 1, 2024. A.B. 458, which was signed by the governor on September 1st, eliminates the sunset date, and expands existing law to require the CDI to offer license examinations as follows:

- Effective January 1, 2024, the examination for a license as a life agent, accident and health or sickness agent, property broker-agent, and casualty broker-agent shall be provided in English, Spanish, Simplified Chinese, Vietnamese, and Korean.
- On or after July 1, 2024, the examination for a license as a life agent, accident and health or sickness agent, property broker-agent, and casualty broker-agent shall also be provided in Tagalog.

MUNICIPALITIES: HIGHLIGHTS

San Francisco: Health Care Security Ordinance (HCSO): The HCSO requires "covered employers" (employers with 20 or more workers and non-profit employers with 50 or more workers) to spend a specific amount on a quarterly basis on "health care services" for "covered employees" working in San Francisco 8 or more hours per week:

Employer Size	Number of Workers	2023 Expenditure Rate	2024 Expenditure Rate
Large	All employers w/ 100+ workers	$3.40/hour payable	$3.51/hour payable
Medium	Businesses w/ 20-99 workers Nonprofits w/ 50-99 workers	$2.27/hour payable	$2.34/hour payable
Small	Businesses w/ 0-19 workers Nonprofits w/ 0-49 workers	Exempt	Exempt

Employers should update their HCSO poster for 2024, and remember to file their annual report with the Office of Labor Standards Enforcement by **April 30, 2024**. ##

Employees who qualify as "managerial, supervisory, or confidential" employees and who also earn at least the following annual or hourly rate for the year are exempt:

Year	Annual Salary	Hourly Salary
2023	$114,141	$54.88
2024	$121,372	$58.35

Editor's Note: Special thanks to Marilyn for providing this informative regular column in The COIN! Marilyn Monahan can be reached at marilyn@monahanlawoffice.com.

can be good or bad prompts, depending on how specific or non-specific the human prompting it has been. For example, if you ask a chatbot to write you a resume with no real job specifics, versus asking it to write you a resume after you send a job description and former resume, and asking it to optimize your resume and include bullet points for the specific job you're applying for, and ask it to include metric-based achievements or something similar, you will see wildly different results from each. That is Prompt Engineering within Generative AI.

There are many phases of Generative AI. The input stage, which trains the AI algorithm by feeding it with good and relevant data and/or content, which can produce anything from text to images to code, and can even compose music in a specific style or genre. In the input stage, you need to be very specific, as used in the example above of writing a resume. Remember, like any software program, "garbage in" means "garbage out."

There is also the processing stage, where the algorithm identifies and replicates patterns in the data or content that aligns with the user's prompts, which is where the human factor comes in. This is also the area where we've found some highly controversial "garbage out" data generated, such as a recent legal case where the attorneys used AI for their case and the data that came out was not factual, causing the attorneys major embarrassment, when they discovered (during the trial!) that the AI tool "hallucinated" or made up things… like the precedents it provided in the AI produced research… *When it couldn't find a supporting case that the attorney needed, it basically made one up…* This is where it is imperative that any and all data created that is in the processing stage is reviewed and verified before being used…. Particularly if you're relying on it for an actual situation… In this example, in a court case in front of a judge and jury! The Output stage is the result generated on the input, user prompts and processing stages, so always check what comes out and verify the facts to be true before using it! *It has been documented that AI can produce very convincing gibberish!*

AI Impact on Workflow and Production

Putting aside the "garbage out" for a moment, it is true that generative AI can have a tremendous impact on workflow and production. Brain-power is growing at an exponential rate; from ChatGPT generating 3,000 words per minute in 2022 to GPT4 achieving 25,000 words per minute in 2023. It is now documented that Claude's AI is producing 75,000 words per minute, and that is a lot faster than any human could conceive of producing.

I asked Ted Flittner, Principal of Aditi Group, our technology, HIPAA Security and Cybersecurity consultant partners, how careful the user should be when using Generative AI to be sure that it is generating factual information (not hallucinating or making up things)? "This hits on a major issue with AI right now. AI in general and popular ones like ChatGPT are designed to give answers," replied Ted. "And they can provide a detailed answer, even if there really isn't one to give or is not true. Users need to take output not as fact, but something to consider and evaluate. We want to test answers in the real world and understand what inputs led to the answers – and consider whether the inputs are true." There are things, of course, that can be done to improve the use of AI in your organization. "Training is a major issue," Ted stated. "AI has a natural tendency to amplify inequities and incorrect patterns. It tends to give answers that match the training data – even if the data is NOT a fair sample of the real world."

AI can help employees, such as HR Managers (used frequently for assistance in narrowing down job candidates, performance evaluations, etc.), and Risk Managers (used for examining trends and making better risk decisions) be better at their jobs, by allowing employees to focus on analysis rather than crunching data or performing other time-consuming tasks, and it allows employees to focus on strategic thinking and problem solving rather than mechanical tasks. However, using such tools as AI can be risky and if you use it, you need to be safe… So, I asked Ted, what are some basic safety/security protocols employers should implement when using AI?

"Clearly define who can access AI programs and output data," Ted responded. "And define in writing, what data fields are that AI programs can use. Ideally, don't use any private personal data. Don't let AI results and answers get released to the public unless we're *absolutely sure* that private info is not exposed. A growing number of computer services are being offered to automate the process of evaluating data that AI systems can see and output. They're akin to email security/encryption programs that try to prevent users from accidentally sending out emails with social security numbers, for example. The best approach is use all of the tools: make good policies, train people, and use software to watch for problems automatically."

Continued on page 14

Feature Article, Artificial Intelligence, Continued from Page 13

Use of Proper Security and Approval Channels

Going back to that PIHRA meeting I recently attended, that attendee response really concerned me, and actually prompted me to include an AI class in our September, 2023 Lunch & Learn educational series for our clients and guests, and to follow up with writing an article to assist users.

As I talked about in that Lunch & Learn in September, you shouldn't be downloading AI programs such as ChatGPT without going through the proper security and approval channels at your office. I asked Ted if he would recommend that employers be sure there are policies in place BEFORE their employees (assume HR Department, for example) starts using AI such as ChatGPT? Ted's response didn't surprise me at all (and I assumed it back in September at our Lunch & Learn program). "Absolutely," replied Ted. "You need to set the rules before it comes back to bite you. Good policies and controls can prevent privacy breaches or AI output from being used in the wrong way. Check points on data input, data output and what people do with the 'answers' are a MUST. We have too many examples of groups rushing to implement AI and realizing later that personal data is or was wrongly shared or wrong assumptions were made from data output from [one or more] AI programs. Too many people are feeling the 'AI Burn.'"

Dangers of Using ChatGPT and AI Programs

What are the dangers of using ChatGPT or similar software without the proper firewalls in place first? Is there a danger of ChatGPT crossing over into confidential databases or other proprietary or trade secrets information? "The dangers are both human and software system ones," stated Ted. "First, people can choose to share data that they shouldn't with ChatGPT, for example. ChatGPT does use data to help improve the model – it uses data we enter, unless we take certain steps to block or minimize it. OpenAI does not use API data to train. So, we can choose which tools to use, depending on how secure we need to be.

"The software dangers really show up when AI results drive automated actions. For example, when facial recognition company Clearview AI software was quickly embraced by police departments, it led to many arrests of innocent people. The software marked people as suspects and police put too much trust in technology. As technology investigative journalist Kashmir Hill said 'It wasn't a simple matter of an algorithm making a mistake, it was a series of human beings making bad decisions, aided by fallible technology.'"

Another concern of mine, which has been a high security concern since 2020's COVID massive move to remote work, is people continuing to work at home, without regular supervisory oversight. I asked Ted if there additional (or perhaps same as office in some circumstances) policies that should be in place for employees working from home? Ted responded "Match the privacy and security policies relating to other sensitive data for your company. Keep data private. Keep answers private. Send information securely. Work on secure computer devices and networks. Keep it focused on business."

Today organizations are realizing the vast potential of harnessing AI technology to enhance productivity, augment intelligence and gain a competitive edge with tools like data analytics. You can greatly improve productivity by automation of repetitive and time-consuming (and often hated) tasks, so humans can focus on the more strategic and creative functions on their desk, or in their workplace. You can unlock innovation by using algorithms to power your applications and business models and improve and increase your data analytics with more accurate predictions and improve data-backed decisions.

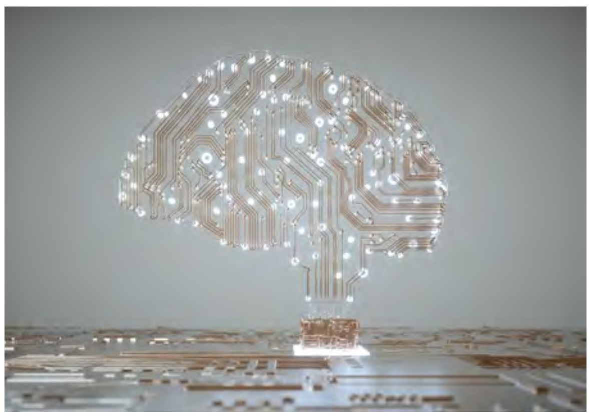
These tools, which are used commonly in the benefits and human resource space, are continually improving and helping us mere mortal humans in predicting future claims patterns, long term cost projections based on past group

Feature Article, Artificial Intelligence, Continued from Page 14

behavior, etc. Self-funded health plans (as well as insured health plans of course) have used data analytics to help them predict costs, and design benefits to meet the specific needs of that particular employer's population for decades now… But now, with AI tools, the future looks even brighter when it comes to providing valuable insight into future costs and patterns, and to the benefits industry, AI seems to be a highly valuable tool that can be used to help contain costs.

Potential Future Uses of AI in the Workplace

Potential future uses of AI in the workplace, particularly in HR and Benefits, include (but are not limited to) advanced analytics applications, process changes and reorganization uses, Employee Value Proposition assistance (common in HR now), ways to measure performance with AI (without the emotions). I asked Ted if he could comment on the internal data that AI may need access to in order to do these functions, and how an employer can be protected from AI technology accessing confidential information within their systems, and why that needs more privacy/security protections in place? Ted responded: "We're talking about the kinds of data that HR managers have access to every day, at both the individual staff member and *family member* level. We really want to de-identify personal info and aggregate data so that personal data is not used directly. That could be done manually or by other software systems that 'cleanse' data before it's analyzed."



AI in Benefits Administration & Legal Implications

I asked our Benefits Attorney, Marilyn Monahan, if there are there specific cautions or concerns she has about using AI in Benefits Administration? Her response was: "While AI could be a great help in streamlining benefits enrollment and administration—making the process easier and more useful for both employees and employers—the human touch is still necessary. No system is turnkey, and work will have to be done—both to set it up and as part of an on-going monitoring process—to ensure the system is accurate and effective. Further, from the point of view of employee relations, employees will continue to have questions for HR on the enrollment process and benefit options, and HR needs to be available to answer those questions. From the point of view of benefit administration, the data produced by the system will need to be reviewed and analyzed to ensure benefits administration is going smoothly. 'The computer did it' is not a very compelling defense when a mistake is made."

I also asked Marilyn what some potential drawbacks, limitations and legal risks of using AI in benefits administration may be? She replied: "There are several issues that could arise. For example, an AI program used to translate an SPD might translate plan language incorrectly, or the translation might not satisfy the ERISA standard that the SPD is written calculated to be understood by the average plan participant. Or, when AI is used for enrollment, if the system has built-in biases, it might, for example, steer applicants in a protected class to benefit options that are not best for them personally."

There are concerns about Intellectual Property and privacy and trade secrets and privacy when you use AI programs. I asked Marilyn if she could comment on her primary concerns? "These issues—and problems—could arise in various contexts," stated Marilyn. "For example, employers using an AI system to draft written communications should be concerned about the system incorporating copyrighted material without attribution. As another example, companies should recognize that materials created by AI will probably *not* be protected by copyright laws."

The legal implications of using AI continue to be a major concern, of course. States like California and cities like New York have or are considering laws on automated decision tools and AI… I asked Marilyn if she could tell us a little bit about these? "AI is the hot topic these days, not only within industry but by legislators as well. The City of New York has already passed a law regulating employer use of automated decision-making tools (the AEDT Law). It has been reported that the California legislature intends, when it returns from recess in January, to look into whether it should pass legislation to address AI in the workplace and beyond."

Besides lawsuits and penalties, I asked Marilyn what some other potential consequences are of improperly using AI? Mairlyn replied "Do not overlook the damage to the company's reputation, and the impact news of the misuse could have on client relationships, employee morale, and more."

I asked Marilyn in general, what her primary privacy & security

Continued on Page 16

Feature Article, Artificial Intelligence, Continued from Page 15

concerns of HR using AI? She stated "Any data being input into an AI system must be adequately protected to ensure it is not accessible by those who are not entitled to access it, and it is not vulnerable to a cyber-attack. Information that needs to be protected includes private employee data (such as personnel and medical data), customer data, and proprietary data. Before utilizing an AI system, employers need to ensure that the system is secure, that access is limited, and that any necessary contractual agreements (such as business associate agreements) are in place. In addition, employers should be concerned about employees using AI systems on their own, without the employer's permission. Employers should put employees on notice that such actions are prohibited and will result in discipline."

Types of Employees/Departments Safety Precautions

A question that is asked often today is what types of employees/departments are in general, more "safe" to use AI and what employees/departments should be more cautious overall? Once again, I asked for the opinion of Ted Flittner.

"Personally, I think everyone needs to follow the same cautions," Ted responded. "HR, Accounting, and Finance generally have access to the sensitive staff data. Sales and Customer Service may see end-customer private info as well. All departments should understand the priority of keeping data private and follow the HIPAA 'Minimum Necessary' guideline of just giving access to the data that people need to get the job done."

Certain job functions in the workplace have seen major headlines in the news over the past several months. Replacing writers with ChatGPT-like programs is big in the news lately; particularly given the recent Hollywood writers' strike, etc. I asked Marilyn if she would comment on possible trade secrets and copyright implications that may occur when using a ChatGPT or other AI program in general, and if she had any warnings and suggestions for employers? "Two concerns that come to mind are accuracy and copyright. You cannot assume that the information generated by AI is true or accurate—it must be verified. Also, if the AI system copies copyrighted material without proper attribution, the employer could violate copyright laws when it uses the material."

Should employers be worried that anything generated by a program such as Chat GPT could end up being put out on the internet for the public? Those are certainly concerns that I have, given my background in HIPAA Privacy & Security, so once again, I asked Ted for his opinion. "Yes, for sure," Ted said in response to an employer being worried about these programs resulting in data going public on the internet. "Employers don't want payroll, personnel reviews, or confidential company plans to be broadcast. They don't want it to be done by computers OR people making bad decisions."

I asked Ted what his biggest concerns related to privacy & security are when using any type of AI? "Systems that collect data, analyze it, share it, or take action on it, without our knowledge or consent," Ted responded. "Again, facial recognition is a great example. More and more places and groups are using it – with photos from all parts of the internet and everywhere we go. We're not asked for our OK with all of that. And so more cities and states are enacting bans on using facial recognition in public."

I then asked Ted if there are other general comments/concerns/warnings or cautions he'd like to share with employers using or contemplating using AI for HR/Benefit functions? Ted responded, "Don't rush to use AI just because it's new and it's cool. Any process or tool you use must provide real value. Ask yourself 'How does it add value to our customers?'" I would echo those cautions provided by Ted.

As an employer, I'd want to know if AI tools are prone to cyber-attacks and if so, are they more or less than any other programs or uses in employer offices? Ted shared these thoughts. "AI is not more inherently prone to attack than other IT. The Internet is a two-way Superhighway. If a computer system can reach the internet or if it's in the cloud, it is at risk. Use the same precautions."

Artificial Intelligence Policy Concerns & Considerations

Marilyn Monahan and I discussed the policy concerns that employers should be looking at before using AI in the workplace as they relate to privacy & security. These included: Be sure that they suit your needs and priorities; Customize your policies to suit your workplace; Outline the purpose of the policy and the scope of the policy; Create Policies to Maintain Data Privacy & Security; Put in safeguards to protect data inputted into any GenAI technology, Address data collection, storage

Feature Article, Artificial Intelligence, Continued From Page 16

and sharing; Prohibit employees from entering private or personal information into **any** GenAI platform; Uphold company confidentiality – trade secrets, private information, PII and PHI of employees and third parties, confidential data, sensitive data; Protect Commitment to Diversity and Discrimination standards; Prevent Copyright or Theft Concerns; Double-check sources; Use AI as an idea-generator, not as a replacement for content creation; Prohibit Employment-Based Decisions Aided by GenAI; Do not use AI to help you make employment decisions about applicants or employees (recruitment, hiring, retention, promotions, transfers, performance monitoring, discipline, demotions, terminations, etc.) Uphold legal principals; Outline Best Practices – have workers confirm information before relying on it (avoid hallucinations or outdated answers); Understand the risks of data breaches in AI- *treat questions as if they will go viral on the internet;* Recommend employees disclose when they are using AI and the extent it aided in the creation of any content developed; Be Clear About Consequences if violations occur; Include a Disclaimer; and be sure to Use Multi-Disciplinary input from stakeholders of organization. I asked Ted if he had any additions to this list. He added " Employers should focus on value."

Conclusion

The bottom line is, if you don't have written policies in place, you need to work on them now; hopefully *before* you put AI programs into use at your organization.

As I said at the beginning of this article, Artificial Intelligence is here to stay, and its future seems bright, but let's be smart about it if you're using or planning to use in the human resources, accounting/finance or benefits space. You need to think before you act, hope for the best but plan for the worst, and put in the proper training and policies *before* you start using AI in your workplace. If you've already begun using it, you need to immediately meet with the company executives and IT/ Security team to be sure that they can put up the proper firewalls for the use of AI in the benefits and AI space, as well as any other areas of the company that hold confidential data.

##

Author's Note: You can reach the author, Dorothy Cociu, at dmcociu@advancedbenefitconsulting.com, Marilyn Monahan of Monahan Law Office at marilyn@monahanlawoffice.com, or Ted Flittner at ted.flittner@aditigroup.com.

Register Now for Our November, 2023 Webinar

Gag Clause Prohibition & Attestation Requirements for Employers

Featuring Dorothy Cociu and Marilyn Monahan

1 Hour CE Approved

See Page 21 for More Information!

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HIPAA Updates, Continued from Page 8

- failure to conduct an accurate and thorough risk analysis to determine risks and vulnerabilities to ePHI across the organization,
- failure to implement security measures sufficient to reduce risks and vulnerabilities to ePHI to a reasonable and appropriate level,
- failure to implement sufficient procedures to regularly review records of information system activity,
- failure to perform a periodic technical and nontechnical evaluation in response to environmental or operational changes affecting the security of ePHI, and
- failure to implement hardware, software, and/or procedural mechanisms that record and examine activity in information systems that contain or use ePHI.

OCR's investigation found evidence of potential noncompliance with the HIPAA Privacy and Security Rules across LA Care's organization, a serious concern given the size of this covered entity. In addition to the monetary settlement, LA Care has agreed to take the following steps under a comprehensive corrective action plan that will be monitored for three years by OCR to ensure compliance with HIPAA:

- Conduct an accurate and thorough risk analysis to determine risks and vulnerabilities to electronic patient/system data across the organization.
- Develop and implement a risk management plan to address identified risks and vulnerabilities to the confidentiality, integrity, and availability of ePHI.
- Develop, implement, and distribute policies and procedures for a risk analysis and risk management plan.
- Report to HHS when it conducts an evaluation due to an environmental and operational change that affects the security of ePHI in LA Care's possession or control.
- Report to HHS within thirty (30) days when workforce members fail to comply with the HIPAA Rules.

The resolution agreement and corrective action plan may be found at: https://www.hhs.gov/hipaa/for-professionals/compliance-enforcement/agreements/la-care-health-plan/index.html .

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On September 12, 2023, The Office for Civil Rights (OCR) and the Office of the National Coordinator for Health Information Technology (ONC) at the U.S. Department of Health and Human Services (HHS) are pleased to announce the release of version 3.4 of the Security Risk Assessment (SRA) Tool.

The Security Risk Assessment (SRA) Tool is designed to help healthcare providers conduct a risk analysis as required by the HIPAA Security Rule. Identifying and assessing potential risks and vulnerabilities to electronic protected health information (ePHI) is foundational to implementing security measures to protect ePHI. As hacking and ransomware attacks continue to increase within the health care sector, it's now more important than ever, for organizations to improve their cybersecurity.

The downloadable SRA Tool is a desktop application that walks users through the security risk assessment process using multiple-choice questions, threat and vulnerability assessments, and asset and vendor management. References and additional guidance are given along the way. Reports are available to save and print after the assessment is completed.

Also in September, HHS/OCR offered Limited Waivers for the HIPAA Privacy Rule for Emergency Conditions in Georgia due to Hurricane Idalia.

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On September 18, 2023, The HHS Office for Civil Rights (OCR) will be producing a pre-recorded webinar for HIPAA covered entities and business associates (collectively, "regulated entities") discussing how the Security Rule can help regulated entities defend against cyber-attacks. The webinar will discuss real world cyber-attack trends from OCR breach reports and investigations and explore how implementation of appropriate HIPAA Security Rule safeguards can help detect and mitigate common cyber-attacks.

OCR welcomes questions that could be addressed during the webinar. If you have questions about Security Rule safeguards and defending against cyber-attacks, please send them to OCRPresents@hhs.gov no later than September 25, 2023.

Speaker:

Nicholas Heesters, Senior Advisor for Cybersecurity, OCR

Topics include:

- OCR breach and investigation trend analysis
- Common attack vectors
- OCR investigations of weaknesses that led to or contributed to breaches
- How Security Rule compliance can help regulated entities defend against cyber-attacks

—-

On October 18, 2023, the HHS Office for Civil Rights Issued Resources for Health Care Providers and Patients to Help Educate Patients about Telehealth and the Privacy and Security of Protected Health Information.

On October 18th, the Office for Civil Rights (OCR) at the U.S. Department of Health and Human Services (HHS), issued two resource documents to help explain to patients the privacy and security risks to their protected health information (PHI) when using telehealth services and ways to reduce these risks.

Continued on page 23

CAHIP-OC Board of Directors and Staff 2023-2024

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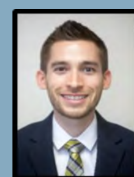

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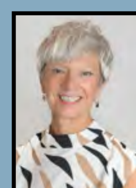

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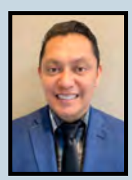

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- *Be a resource to your colleagues*
- *Make an impact with legislation*

HIPAA Updates, Continued from Page 20

The first resource is for health care providers on "Educating Patients about Privacy and Security Risks to Protected Health Information when Using Remote Communication Technologies for Telehealth." Although health care providers are not required by the HIPAA Rules to provide this education, the resource supports the continued and increased use of telehealth by providing information to help health care providers who choose to discuss telehealth privacy and security with patients. The resource provides suggestions for discussing:

- Telehealth options offered
- Risks to PHI when using remote communications technologies
- Privacy and security practices of remote communication technology vendors

Applicability of civil rights laws

OCR also issued a resource for patients called "Telehealth Privacy and Security Tips for Patients." This resource provides recommendations that patients can implement to protect and secure their health information such as:

- Conduct telehealth appointment in a private location
- Turn on multi-factor authentication if available
- Use encryption when available

Avoid public Wi-Fi networks

"Telehealth is a wonderful tool that can increase patients' access to health care and improve health care outcomes," said OCR Director Melanie Fontes Rainer. "Health care providers can support telehealth by helping patients understand privacy and security risks and effective cybersecurity practices so patients are confident that their health information remains private."

Stay tuned for more updates in the next issue of The COIN!
##

CE Day 2023 Photos

Dorothy Cociu asks CAHIP Immediate Past President to join her during her CE class on Cost Containment in the group market

MEMBERSHIP NEWS

We'd like to welcome the newest members of CAHIP-OC!

Alexis Beaudreau	Elise Haar	Haley Mauser	Cindy Santos-Mendosa
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Agency Memberships Now Available!

Talk to a Board Member

(see page 22 for board roster)

JOIN CAHIP-OC

California Legislation Update

By David Benson, VP of Legislation

The Governor has until October 14th to sign or veto legislation passed by both houses of the Legislature, which includes several healthcare bills.

This year we had a new twist on Single Payer legislation. SB 770 requires the State of California to form a Committee to have waiver discussions with the federal government on funding a single payer healthcare system. All the money that California receives from the federal government for Medicare and Medi-Cal would be used to fund the new single payer healthcare system. Projections from the Office of Management and Budget show that the ***Single Payer Healthcare System would cost over $500 billion in the first year and increase between 5% and 6% per year in future years.*** The money received from the federal government would cover about half of the cost. The other half would come from increased taxes. Translation: ***each person in California would pay an extra $10,000 per year in taxes to fund the single payer healthcare system,*** if approved.

When we were in Sacramento for the Health Summit in May, the Nurses Association was standing outside the office building where the Legislators are (while the Capitol is being remodeled), protesting *against* SB 770.

California had 2 different single payer bills introduced in 2023. The 2nd Single Payor bill, AB 1690 was sponsored by the California Nurses Association. AB 1690 was a "spot bill" in 2023. Detailed language will be added to the bill in 2024 if the Governor vetoes SB 770. *(Editor's Note: The bill was signed by the Governor in October, 2023).*

If the Governor signs SB 770, it is projected that the conversations with the federal government would take a few years which would delay putting language into AB1690. This is why the Nurses Association opposes SB 770.

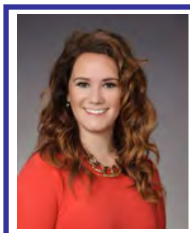
Every Single Payor bill introduced in California has failed because there was no funding mechanism. President Biden and the Republicans are opposed to a single payer healthcare system. The likelihood that the federal government would pull funding for Medicare and Medi-Cal to fund a single payer system is not likely.

A Single Payer system was approved in Vermont and signed into law by their Democratic Governor. The Governor pulled plans to implement the single payer system due to a lack of funding for the program. Other States have implemented a single payer system. Single payer failed in every State other than Hawaii. In Tennessee, the annual cost for the program was more than double the entire State budget.

Without an effective funding mechanism, a single payer healthcare system will not work. The Nurses Association does not understand this concept and will continue asking legislators to introduce single payer legislation every few years.

##

EDIITOR'S NOTE: Shortly after this article was written and received, CAHIP announced the signing of SB 770 by our Governor. See page 25 for this important update! Also see infographic on page 7, and listen to the special CAHIP podcast on SB 770!



For More Information on SB 770, please listen to the CAHIP podcast, where Dorothy Cociu interviews Faith Borges, Legislative Advocate for CAHIP, on all things Single Payer.

California's Governor recently signed into law SB 770, which is a bill aimed at obtaining federal financing from Medicare and MediCal funds to be directed into a state-run single payer healthcare system in California. If a single payer system were to pass into law, we would have no more private health plans, no more Medicare, MediCal, or Covered California. In this podcast, Host Dorothy Cociu discusses SB 770 and Single Payer Healthcare, and what it could mean in California, with Faith Borges, Legislative Advocate for the California Agents & Health Insurance Professionals (CAHIP). Learn about what this would all mean, and the heavy tax burdens this would place on employers and individuals, if this type of legislation were put into place. Listen to this very informative podcast! Find it at cahip.com or any major podcast platform. *(Original Podcast produced for Benefits Executive Roundtable Podcast; duplicated for CAHIP use courtesy of Advanced Benefit Consulting).*

California Agents and Health Insurance Professionals

CAHIP

Protecting the Consumer's *Future*

CAHIP IMPORTANT UPDATE ON SENATE BILL 770 - SINGLE PAYER FUNDING LEGISLATION

October 10, 2023

Governor Newsom signed SB 770 into law this weekend, a bill aimed at obtaining federal financing for a state-run single-payer healthcare system in California.

Thank you CAHIP members for sending nearly 4,000 communications to legislators and the governor sharing your concerns and opposition. While this is not the outcome we wanted, it's important to understand that SB 770 does *not* establish a single payer system within the state, and it does not immediately impact Californians or agents.

This legislation is intended to be the first of many steps towards *financing* a single payer system in California. It requires the California Health and Human Services Secretary to develop a plan to request federal waivers from the White House, to divert *all* Medicare and Medicaid funding to California to finance a new prospective statewide single payer healthcare system.

Even in the improbable event that the federal government grants the waivers, California would still need to find an additional $300 billion per year to finance the rest of a single-payer system.

Ultimately, a single payer system would force all California residents and taxpayers out of their existing coverage and into one new single payer program – eliminating Medicare, Medi-Cal, employer sponsored coverage, and Covered California IFP plans within the state.

This new law requires the waiver framework to be prepared by June 1, 2025, which will be subject to a 45-day public comment period. A report on the finalized waiver framework is due by November 1, 2025. CAHIP, NABIP, and our coalition will be active participants in all related opportunities for engagement during the waiver creation process and for any subsequent legislation.

This legislation and our next steps will be discussed in length during our annual members-only webinar which highlights outcomes of all CAHIP priority legislation. This webinar will be held in January or February. Please stay tuned for more details. ##

NABIP PAC has a new name but it remains committed to moving forward and fulfilling its mission to support candidates that support our industry. I'm writing today to explain what NABIP's political action committee is and how it operates.

What is the National Association of Benefits and Insurance Professionals Political Action Committee (NABIP PAC)?

- NABIP PAC is a separate segregated fund (SSF) that allows for political advocacy from the connected organization -- in this case, NABIP.
- For this reason, the PAC (candidate fund) is restricted to raising money from dues-paying members.
- PAC money is NOT tax-deductible. Contributions are not deductible for state or federal tax purposes.
- NABIP PAC has two different accounts:
  - o Candidate Account
  - o Administrative Fund

What is the Candidate Account?

- It is made up of individuals' contributions through personal credit cards or bank accounts.
- Funds from this account are given to political candidates, both challengers and incumbents, Democrats and Republicans.
- NABIP members, their spouses and NABIP staff can give up to $5,000 each year (federal law).

What is the Administrative Fund?

- Businesses can contribute to the Admin Fund.
- State and local chapters can also contribute.
- Money in this account goes to the operating costs of NABIP PAC so that the Candidate Account can be reserved solely for political contributions.
- Unlike the Candidate Account, there are no contribution limits on the Administrative Fund.

How does the NABIP PAC money we donate get spent by candidates?

- Winning Senate candidates spent an average of $16 million in 2022.
- On average, $2.0 million was spent to win a House seat in 2022.
- A NABIP PAC donation of $2000 is just one in 2000 groups of people contributing to total amount needed to win that House seat.
- Needless to say, members of Congress have many groups like NABIP that expect their legislative agendas to become a priority through their donation.
- **Through NABIP PAC, NABIP gets time and access to members of Congress to advocate on behalf of agents and brokers.**

What are the rules for communication of available money for Candidate Account Fund?

- A member of Congress and his or her staff are never allowed to discuss the campaign or fundraising while using government resources. This includes in their office, while they are working on a Congressional activity, or using an email or phone number provided by the member's office.

Reach out to me Cathy@BAISins.com or Gail to view/ or update your NABIP-pac fund giving level here and donate today if you are not currently!

Cathy Daugherty , VP of PAC

Are you Ready to Contribute NABIP PAC?

If so, please complete the form on page 27!

Note: CAHIP PAC contribution form can be found on page 33!

NABIP | pac

The purpose of the NABIP PAC is to raise funds from NABIP members to support the political campaigns of candidates who believe in private-sector solutions for the health and financial security of all Americans.

Contribute securely at www.nabippac.org

Step 1: Tell us about yourself. *(All information must be completed in full by contributor.)*

Name:

Occupation:

Employer:

Address:

Email:

Phone:

Step 2: Please select (A) Fund (B) Frequency (C) Contribution Level

☐ New Contributor ☐ Past Contributor ☐ Change Contribution to Amount Checked Below

A. Choose a Fund

☐ Candidate Fund* ☐ Administrative Fund**

**Candidate Fund can ONLY accept personal contributions.*
***Administrative Fund can accept corporate contributions.*

B. Contribution Frequency

☐ One-Time Contribution
☐ *Charge my account annually for this amount.*

☐ Monthly Contribution (Recurring)
Credit card or bank account will be charged monthly.

C. Contribution Levels

	(Annual)	*(Monthly)*
Member	☐ $150	☐ $12
Bronze	☐ $365	☐ $30
Silver	☐ $500	☐ $42
Gold	☐ $750	☐ $63
Platinum	☐ $1,000	☐ $85
Diamond	☐ $2,000	☐ $170
Double Diamond	☐ $3,000	☐ $250
Triple Diamond	☐ $5,000	☐ $415
Amount not listed	☐ $	☐ $

Did a NABIP member refer you? If so, who?

Step 3: Provide your method of payment.
(Payment must be from a personal credit card or bank account if contributing to the Candidate Fund.)

Credit or Debit Card ☐ American Express ☐ Discover ☐ Mastercard ☐ Visa

Card Number:

Expiration Date: (mm/yy):

CVV:

Zip Code:

Checking Account

Bank Routing Number:

Account Number:

Signature

☐ I authorize NABIP PAC to initiate charges to my personal bank account or credit card as shown above.

Signature:

Date:

Step 4: Submit this form.

Mail
NABIP PAC
999 E Street NW, Suite 400
Washington, DC 20004

Fax
202-747-6820

Email
nabippac@nabip.org

A contribution to a Political Action Committee is not tax deductible. Only NABIP members, their immediate families and NABIP staff may contribute. Only U.S. citizens and permanent residents may contribute. Any guidelines mentioned for contributions are merely suggestions. You may contribute more or less than the guidelines suggest, and the National Association of Benefits and Insurance Professionals (NABIP) will not favor nor disadvantage you by reason of the amount of your contribution or your decision not to contribute. Federal law requires PACs to report the name, mailing address, occupation and employer for individuals whose donations exceed $200 in a calendar year. Federal law prohibits corporate or business donations to a federal PAC. Please make certain that your check or credit card is your personal account.

CAHIP-OC CE Day 2023 Recap

By Ciaran Patrick, CAHIP-OC VP of Professional Development

The role of CAHIP-OC is to promote and encourage the association of professionals in the health insurance field for the purpose of educating, promoting effective legislation, sharing information and advocating fair business practices among our members, the industry and the general public. Our Professional Development Committee takes this role very seriously.

Two key areas **of our Industry have been moving at lightning speed, legislation and technology,** and if we include Healthcare costs then we could say three. Legislation such as the Affordable Care Act (ACA), Pay Transparency as well as California Appropriations Act, not to mention COVID legislation and Leave laws, most of which includes reporting requirements that carry exorbitant penalties for non-compliance and reporting, have far-reaching implications.

If we don't embrace continuing education and stay current on fast-paced legislation and technologies revolutionizing our industry, we will end up like Tom Cruise in "Interview with a Vampire", and not be able to move forward with the times.

As an agent myself, time over time again, when we meet with prospects and do a compliance review, these mandated compliance requirements are *not* being met.

Of particular note is the **ACA reporting-** 80% of the time upon review, there are errors on the 1094C/1095C filings. While many of you have washed your hands on helping clients check these reports, understand by choosing to do so, you have left your clients open to prospecting agents such as my firm. Furthermore, with **2023 6056 Electronic filing required for ALE's filing 10 or more 1095Cs records**, many will not manage to find e-filing providers on time. CAHIP is where you get the information you need to keep your clients current and compliant.

We began the day with a **Carrier Panel presenting their Q4 plans and networks, RX formulary** and Wellness programs, and explaining how they had designed their plans to meet both market demands as well as help with cost containment. This was a one-hour panel presentation, and we plan on doing a 2-hour programnext year, as there was a lot of information to cover and we felt the time we allotted didn't do this panel class justice.

For those agents like myself competing in the small group market, it is vital you have an extensive knowledge of the Carrier plans, networks and RX coverages, as this can make the difference in getting a sale or not. For this reason, the Carrier panel is a must attend CE ,as well as meeting with your Carrier reps and gathering important handouts that will help you be prepared for Q4.

On Technology, the recent **purchase of EASE by Employee Navigator** is a new concern. We are staying abreast of how that roll-out is being handled and planning on Co-hosting a **Tech Expo with some of our local chapters in April,** as well as a number of technology training classes in 2024, as we get closer to having to transfer groups to the navigator platform.

The upcoming CAHIP-OC Tech Expo will host vendors as well as Training and Classes on many aspects of our Industry that are technology driven; Payroll, Benefits Admin Systems, COBRA and Cafeteria plan TPA's, ACA 6056 electronic filing firms, HR Resources, Staffing, PEO's, CRM systems, Sales and Marketing systems,

Our Professional Development team concurrently believes that the lightning speed at which Healthcare Costs are escalating if not sufficiently addressed will force us into an unwanted Government controlled Healthcare system. We believe that the ugly underbelly of the Healthcare crisis is the Food Industry, which has gone unchecked by the FDA, as well as legislators. And as such we need to declare an out-and-out war on high fructose corn syrup, the centennial culprit in many metabolic syndrome chronic conditions such as diabetes, liver failure, heart disease, cancers and dementia and Alzheimer's.

As Healthcare professionals, we implore you to join us and take a stance in speaking out against the food industry and educating our clients on the perils of many of today's highly-processed and manipulated food products. We implore Medical Carriers to use advertising dollars to call out the food companies for the damage they are doing to our clients' health and wellbeing and to invest

Continued on page 31

National Association of Benefits and Insurance Professionals

NABIP

Shaping the *future* of healthcare

How to get more value from your NABIP membership

The activities below provide a blueprint for extracting the greatest value from your membership:

- Visit NABIP's Micro Site - **www.welcometonabip.org**
- Take advantage of NABIP's **Mentorship Program**
- Read America's Benefit Specialist Magazine each month and learn something new
- Listen to the NABIP **Healthcare Happy Hour Podcasts** on a weekly basis for up-to-date talking points
- Attend the NABIP **Power Hour** webinar monthly for in depth topic discussions and socialize with fellow members
- Attend Local Chapter meetings for opportunities to learn and network
- Volunteer to serve on a committee (Membership, Social, Programs/Expo, Legislative, etc.)
- Recruit one new member – best way to learn is to teach someone else about the NABIP value proposition
- Meet with a NABIP Board member and find out what motivates them to give their time and money
- Attend Day on the Hill and meet with your state legislators to discuss bills you support or oppose
- Attend NABIP Capitol Conference – annual legislative fly-in to Washington DC (IMPORTANT ONE)
- Attend NABIP Annual Convention to meet members from across the country and vote for NABIP incoming Secretary and other membership matters
- Contribute to NABIP-PAC – Political Action Committee contributions help us to have our voice heard on legislative issues at the national and state level. Contribute monthly to each!
- Participate in Operation Shout – click and sign letters to **your** elected officials regarding important grass roots efforts
- Earn your **Registered Employee Benefits Consultant** designation - acquired from The American College
- Complete all 12 modules of the **Leadership Academy**.
- Sign up to receive **Broker 2 Broker** emails on NABIP.org where you can post questions and respond to fellow members from around the country
- Share with your clients that you are a member of NABIP and working to protect their access to private health insurance and other benefits!

More information at www.nabip.org

NABIP Operation Shout! One of the primary ways we engage in advocacy for the consumer is by supporting legislation that ensures the future and stability of the insurance industry. Through Operation Shout, you as a member have the opportunity to participate in this process. As legislative needs arise, you will be prompted by staff to participate in Operation Shout. Participating is quick and easy. When you click on "write" you will have the option of using the message we have already created, which takes less than a minute, or composing your own. Either method is effective and sends a strong message to your member of Congress about the important issues facing us today. You can also check back at any time to view and send archived messages. When engaging in NABIP grassroots operations, remember that we are most effective when we speak with one voice. As always, if you have any questions, please feel free to contact us!

CE Day 2023 Recap, Continued From Page 28

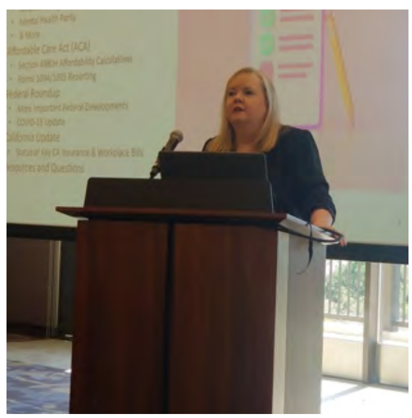
in cash rewards programs that can be connected to eating a diet of organic wholefoods rather than processed foods.

We would like to extend a Thank-you to all of our CE day sponsors, as well as our presenters, guidance from Dorothy Cociu and the Board, and all of those that attended. We received great feedback and the classes were well-received by all.

On a fun note, we have planned a fantastic LIDO Christmas Lights Cruise for Tuesday December 12,th Sponsored by AMWINS And UNITED HEALTHCARE, with a Photo Booth sponsored by Colonial Life & Accident. The Theme for the night is "Puttin On The Glitz," so dress according to your individual style and interpretation. We are looking forward to seeing you there. SEE the QR Code below for a LINK to Register. ##

CE Day 2023 Photos

Left: CAHIP-OC VP of Professional Development Ciaran Patrick and Anne Kelly, Committee Member, Host the 2023 CE Day in Lake Forest



Speakers included Dorothy Cociu, above, Marilyn Monahan, left.

Sarah Knapp provides Awards updates (below), and CAHIP-OC presents checks to New Hope Grief Support (left).

NAHU is now NABIP!

NAHU Professional Development

Are you new to the industry? Do you want to brush up on new concepts? Do you have employees who need training? Do you want to be an expert on industry topics so you can educate your clients?

NAHU can help….

NAHU has an Online Learning Institute and offers courses in a variety of areas that can help you be successful. NAHU members receive a discount on enrollment of up 30%. Some of the course work and certificates are listed below, but there are many more options on the website. For more information on courses and enrollment, visit the NAHU website at **http://nahu.org/professional-development/courses**.

- Registered Employee Benefits Consultant (REBC) Designation
- Single-Payer Healthcare Certification
- Account-Based Health Plans Certification
- Benefit Account Manager Certification
- Diversity, Equity and Inclusion in the Modern Workplace
- Health Insurance 101
- Self-Funded Certification
- HIPAA Compliance Training

Subscribe to NAHU's Healthcare Happy Hour

http://nahu.org/membership-resources/podcasts/healthcare-happy-hour

Latest Podcasts:

- **House Ways & Means Committee Advances NABIP Federal Priority to Ease Employer Reporting Process**
- **Are you Ready for NABIP's Annual Convention?**
- **How to Best Leverage Employee Benefit Portfolios—from Retirement Plans to Pet Insurance**
- **A Stay inn ACA Preventive Care Mandate Case: NABIP Submits More Testimony**
- **What You Need to Know About the End of the COVID-19 Emergency Periods**
- **NABIP Submits Written Testimony on Host of Healthcare Issues**
- **Special Guest from Nonstop Health Discuss Benefits for Brokers and Employers**
- **An Individual Market Agent's Perspective on the Medicaid Unwinding**

Follow CAHIP-OC on Social Media!

https://www.facebook.com/OCAHU/

https://www.linkedin.com/groups/4100050/

https://twitter.com/orangecountyahu?lang=en

Don't Forget…

CAHIP-OC Webinar on Gag Clause Prohibitions & Attestation Requirements with Dorothy Cociu and Marilyn Monahan on November 14

Newport Harbor Light Holiday Cruise on December 12th

We hope you'll register for both!

And Mark Your Calendars for January 9th, CAHIP OC 's Legislative Updates Meeting, East Anaheim Community Center, Anaheim Hills!

California Association of Health Underwriters Political Action Committee
2520 Venture Oaks Way, Ste 150
Sacramento, CA 95833
FPPC # 892177

CAHU PAC CONTRIBUTOR COMMITMENT FORM

LAST NAME FIRST NAME MIDDLE

OCCUPATION (Required for FPPC reporting purposes)

EMPLOYER (if self employed, name of business; Required for FPPC reporting purposes)

WORK ADDRESS (Please provide street address only, no P.O. Boxes) ☐ Check if address for Credit Card

CITY, STATE, ZIP PHONE FAX

HOME ADDRESS (Please provide street address only, no P.O. Boxes) ☐ Check if address for Credit Card

CITY, STATE, ZIP PHONE FAX

CONTACT EMAIL ADDRESS LOCAL CHAPTER

PRECIOUS GEM STONE CONTRIBUTION LEVELS

Levels	Annual	Monthly Minimum	Diamond Levels	Annual	Monthly Minimum
Ruby	$250 - $499	$21/month	One Star	$1,000 - $1,999	$85/month
Emerald	$500 - $719	$42/month	Two Star	$2,000 - $2,999	$170/month
Sapphire	$720 - $999	$60/month	Three Star	$3,000 - $3,999	$250/month
			Four Star	$4,000 - $4,999	$340/month
			Five Star	$5,000 - $6,000	$420/month

NOTE: POLITICAL CONTRIBUTIONS ARE REPORTED TO THE FPPC. YOUR NAME, AS A CONTRIBUTOR, WILL BE A MATTER OF PUBLIC RECORD.

PAYMENT METHOD: (attach check or select method below)

Payment Method	Card or Account #	Exp. Date	Security Code	Monthly Amount	One-Time Contribution
Check Enclosed					$
Visa/MC/Amex				$	$
Auto-checking withdrawal	PLEASE ATTACH A VOIDED CHECK			$	

Bank Draft / Credit Card Authorization: *I (we) hereby authorize the CAHU PAC to initiate debt entries to my (our) checking account and or credit card. Monthly or one-time debits to be made as shown above. Monthly contributions will continue to be drawn until CAHU PAC is notified in writing to cease. I understand that if I should request changes to the amount withdrawn or a cancellation of these charges that it may be 30 days before these changes to become effective.*

Signed: ______________________ ***Date:*** ________________

Please return this PAC Commitment Form to:
Mail: CAHU PAC 2520 Venture Oaks Way, Ste 150, Sacramento CA 95833
FAX: (916) 924-7323 Questions: (800) 322-5934

Revised: 10/2019

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- THE C.O.I.N. -

Don't miss our upcoming events!

UPCOMING EVENTS

NOVEMBER WEBINAR - GAG CLAUSE PROHIBITION & ATTESTATION REQUIREMENTS - FEATURING DOROTHY COCIU & MARILYN MONAHAN, ESQ, 12 NOON - 1 HOUR OF CE CREDIT AVAILABLE

HOLIDAY LIGHTS NEWPORT CRUISE - DECEMBER 12, 2023 - NEWPORT HARBOR. 5PM-7:45 PM

JANUARY MONTHLY LUNCHEON MEETING - JANUARY 9, 2024 - 11 AM TO 1:00 PM, EAST ANAHEIM COMMUNITY CENTER, ANAHEIM HILLS

CAHIP-OC SALES SYMPOSIUM, TUESDAY, FEBRUARY 13, 2024, LAKE FOREST COMMUNITY CENTER

Visit our website for more details

www.ocahu.org

linkedin.com/groups/4100050 **facebook.com/OCAHU** **@OrangeCountyAHU**