

## It Benefits You

*Your Employee Benefits Newsletter*



January 2025

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# 2025

## HAPPY NEW YEAR

As we enter 2025, we want to share our excitement about the future and express our gratitude for your continued partnership with McGriff. We're entering a new chapter this year as part of Marsh McLennan Agency, a subsidiary of the largest broker in the world, Marsh McLennan. As a McGriff client this means enhanced resources, broader expertise, and innovative solutions for you. Some of these enhancements include:

- More partnerships with carriers due to the overall size of both organizations
- Expanded specialty practice resources for the most in-depth advice on your benefit plan
- Access to more thought leadership through webinars, newsletters, and other critical information on the latest trends and topics concerning your benefits
- Access to employee benefit resources and services in over 130 countries

Although we now operate under new ownership, our commitment to providing exceptional service remains unchanged.



Thank you for choosing McGriff as your trusted advisor. We're expecting a fantastic year ahead and are here to help make 2025 your most successful year yet! Our future together is limitless.

Warm regards,

**Jed Skeete**  
*McGriff National Employee Benefits Director*

## Upcoming Compliance Deadlines

January  
**31**

### Form W-2 Reporting Cost of Employer-Sponsored Health Coverage

Employers who issued 250 or more W-2s in the prior calendar year are required to provide employees with the aggregate cost of employer-sponsored group health plan coverage on employee W-2 forms. This reporting is optional for employers who file fewer than 250 W-2 forms.

March  
**1**

### Medicare Part D Coverage Disclosure to CMS (Calendar Year Plans)

Employers whose group health plans provide prescription drug coverage must report to CMS within 60 days after the beginning of the plan year whether the benefits are creditable with respect to Medicare Part D coverage.

March  
**1**

### MEWA Annual M-1

Multiple Employer Welfare Arrangements (MEWAs) must file their Form M-1 annual report by March 1 with the DOL. This filing requirement applies to all MEWAs, including insured and self-insured arrangements.

## Key Drivers of 2025 Health Care Cost Increases

Health care costs in the United States are likely to increase by 7%-8% in 2025, marking multiple years of compounding costs. As 2025 begins, many employers remain curious about what is driving these increases. Here are key factors that will impact rising health care costs:

### GLP-1 Drugs

Although initially approved as Type 2 diabetes treatments, glucagon-like peptide-1 (GLP-1) drugs have been found to be effective for weight loss when paired with diet and exercise. GLP-1 drug use for weight loss is already widespread but is expected to increase in popularity. GLP-1 medications typically cost around \$1,000 per month. These costly medications are intended to be taken in perpetuity to achieve their benefits. This means that GLP-1 users must use these high-cost treatments on an ongoing basis to experience health benefits.

### Cell and Gene Therapies

Cell and gene therapies (CGT) are designed to treat conditions like blood and lung cancer, sickle cell anemia and spinal muscular atrophy. These therapies demonstrate significant medical advancement but come

with a high price tag. By 2025, it's estimated that nearly 100,000 patients in the United States will be eligible for CGT, which could cost \$25 billion.

### Chronic Health Conditions

Around 90% of U.S. health care spending is on people with chronic and mental health conditions. Chronic conditions include heart disease, stroke, cancer, diabetes, arthritis and obesity. Chronic disease is increasing in prevalence in the United States and is projected to continue to do so in 2025 and the upcoming decades.

### Aging Populations

Due to increasing life expectancy and decreasing birth rates, the percentage of the U.S. population that is 65 or older continues to rise. Per-person personal health care spending for this population is around five times higher than spending per child and almost 2.5 times the spending per working-age person.

### Employer Takeaway

Rising health care costs may be unavoidable, but informed employers can better understand these trends and act appropriately.

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## Tackling Ableism in the Workplace: HR's Role in Addressing Subtle Discrimination

Since the passage of the Civil Rights Act of 1964, the workplace has been tasked with assuring that access to employment is free of discrimination based on any number of individual characteristics. The additional laws surrounding the Americans with Disabilities Act (ADA) and amendments expanded this focus even more. Today, applicants and employees may expect that discriminatory practices are nearly non-existent, however they often find this is not the case.

One area where discrimination still exists is referred to as “ableism.” Ableism is defined as “any prejudice, bias or discrimination directed towards people living with disabilities” (What is Ableism and Why It Matters, Healthline.com, 2024). It is often ingrained in workplaces, sometimes unconsciously. For HR professionals, addressing ableism is crucial to fostering an inclusive environment and ensuring compliance with legal standards.

Let's look at some high-level policies, practices, and solutions to address this all-too-common discrimination in today's working world.

### Why Policy Matters

Policy reviews are critical in mitigating ableism. Outdated or unclear policies can reinforce barriers to inclusion. By regularly updating workplace policies, HR can create a more supportive environment. Here are several areas HR professionals should focus on:

1. **Hiring Practices:** Are your job descriptions inclusive? Are you unintentionally excluding candidates with disabilities? Example: do you refer to “able-bodied” or list physical requirements that are not a bona fide job requirement?
2. **Accommodations:** Does your workplace provide clear and consistently applied accommodation policies? Do you have a standard process for employee requests and for your organization to assess possible accommodations? Do employees feel comfortable

requesting accommodations or are managers less than enthusiastic when employees approach them with needs?

3. **Performance Evaluations:** Do your performance metrics include disabled employee needs and accommodations? Is everyone held to exactly the same standards? Or are considerations made for employees who need additional time to complete tasks specifically because of their disability accommodation?
4. **Accessibility:** Are your workspaces, technology, and communication methods accessible to all employees? Do you put yourself in the shoes of a person with a disability to see if your office spaces, buildings, furniture, and equipment are accessible to everyone?
5. **Leave Policies:** Do your leave policies accommodate the needs of disabled employees, including those with chronic physical or mental health conditions? Or are employees discouraged from taking time off to take care of their needs?

### Examples of Ableism in Policies

Here are a few examples of ableism in workplace policies and how to address them:

- **Job Descriptions with Unnecessary Physical Requirements**

Many job descriptions include physical requirements that are not essential to the role, such as “must be able to lift 50 pounds.” These can discourage qualified candidates with disabilities from applying.

**Solution:** Tailor job descriptions to the actual needs of the job. If physical abilities aren't critical, avoid mentioning them, or state that accommodations will be provided.

(Continued...)

- Lack of Clear Guidelines for Accommodations

Without clear guidelines for requesting accommodations, employees may face delays or denials, creating unnecessary barriers.

**Solution:** Establish a transparent, accessible process for accommodation requests, and ensure managers are trained to handle them promptly. And this is especially important: Make sure that training is held regarding the “interactive process” and that all documentation is done according to strict guidelines.

- Inflexible Remote Work Policies

Rigid remote work policies can have a negative impact on employees with disabilities, especially those with mobility challenges or chronic illnesses.

**Solution:** Offer flexible working arrangements, such as remote work options or modified schedules, to accommodate various needs. Be sure to look at rigid break schedules (for those with conditions requiring time for additional bathroom breaks, food consumption, and medication application).

### The Role of Training and Education

Training, of course, is essential to dismantling ableism in the workplace. Both HR teams and the broader workforce need education on how to create an inclusive environment for people with disabilities. Among others, suggested topics could include sensitivity training, inclusivity, and DEI initiatives. Communicating the organization’s commitment to inclusion is imperative for an ableist-free workplace.

### Action Plan for Addressing Ableism

HR leadership must go beyond policy reviews and actively drive change. Creating an action plan and following through on the steps below and others is the recipe for success!

#### Step 1: Audit Existing Policies

Start by auditing current policies to identify areas where ableism may exist. Review job descriptions, accommodation processes, and consult employees with disabilities for feedback. If you do not have a policy, you need one!

#### Step 2: Provide Continuous Training

Ensure all staff, especially management, receive ongoing training on disability inclusion and rights. Consider workshops, e-learning, or guest speakers to keep the workforce informed. An informed workplace is a better workplace. Be sure that this training is not optional and is included as a regular part of your workforce education.

#### Step 4: Establish Accountability

Hold managers accountable for promoting inclusivity. Disability inclusion goals should be part of performance reviews, and progress should be tracked regularly. Not sure where to start? Consult with a DEI professional and discuss specific concerns. Hold regularly scheduled meetings to discuss any ongoing issues or new ones that arise. Ask managers to explain how they handled each situation.

#### Step 5: Get People Talking!

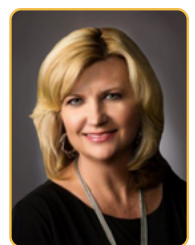
Encourage open discussions on disability inclusion. Create forums where employees feel safe sharing their experiences and suggestions for improving inclusivity. As for (anonymous) input from all employees regarding their experiences with disability accommodations, ask, “what can we do better?”

#### Step 6: Monitor, Evaluate, Adjust, Repeat

Ableism can evolve over time. Regularly monitor workplace culture and adjust policies and practices as new challenges emerge. As with any policy, people and their needs expectations change over time. Be sure you are always on the lookout for ways to enhance the employee experience and make ableism a thing of the past!

### Final Thoughts

Eliminating ableism in the workplace requires ongoing commitment and regular action. HR professionals are instrumental in creating an environment where all employees, regardless of ability, can succeed. By auditing policies, providing education, and holding managers accountable, HR leaders can forge the path in building truly inclusive workplaces.



**Janie Warner**  
McGriff Vice President/  
HR Advisory Practice



## What to Look for in a TPA for Your Flexible Benefits and COBRA Administration

It may seem as if all third-party administrators (TPAs) are essentially the same, but, surprise, they aren't! A flashy website can make a subpar TPA look and sound great, but what truly matters is how well the TPA does what it is entrusted to do. This article highlights important considerations beyond first appearances when selecting a vendor. Assumptions can be dangerous and costly for your company. Do you know what to look for in a TPA and what questions to ask?

### **A quality TPA should provide employers with solutions that:**

- Limit liability and avoid lawsuits
- Help them avoid costly fines and penalties for non-compliance with complex regulations
- Streamline processes, save time, and provide internal workload relief
- Manage regulatory changes and related communication
- Manage employee requests and customer service needs
- Provide compliant, up-to-date educational resources for employers and employees
- Ensure safe and proper handling, storage, and reporting of confidential, protected health data

### **When selecting a TPA, consider the following:**

#### *Expertise and Experience*

Because flexible benefits and COBRA are subject to frequent updates with legal intricacies, working with subject matter experts is of vital importance. The most reputable TPAs tend to have a close relationship with

the Employer's Counsel of Flexible Compensation (ECFC), a leading non-profit dedicated to maintaining and expanding employee benefit programs of a tax-advantaged basis. It is a good sign if numerous folks at a given TPA have obtained ECFC certification and hold ECFC credentials. Ask questions about the TPA staff, including years of experience, and certifications, especially from the ECFC. Ask how they monitor and communicate with clients about evolving legislations and requirements.

#### *Compliance*

Dig into their compliance ratings and regulatory expertise by asking for their System and Organization Controls (SOC) rating. Only work with a vendor that strictly adheres to IRS rules. There are TPAs that openly promote rule-bending, which doesn't affect them but can absolutely hurt your company if audited. A quality TPA will likely call attention to their SOC rating and wear it like a badge of honor. A quality TPA will not cave to pressure and will follow IRS guidelines.

#### *Agreements*

Look beyond the monthly administration fee. It is common to uncover hidden fees in the fine print of an agreement. Understand exactly what your company will be held responsible for. Be wary of so-called "free" COBRA administration. Does that mean the TPA has no obligation to stay up to date on fast-moving compliance changes or provide help when there's a dispute? Also, what kind of service can you expect in return for "free" COBRA administration? Are you prepared to shoulder hefty fines from both the IRS and the Department of Labor, not to mention potentially costly lawsuits, if the TPA fails to assume responsibility for everything they should be doing for you? (Note: "Free" is not to be confused with the service fees your broker is paying for.)

*(Continued...)*

### *Technology and Data Management*

Look for a company that uses a reputable platform with software that integrates with yours. A streamlined enrollment process is vital for seamless onboarding. A digital document trail also protects your company and provides proof that deadlines were met. Ask about their claim management software and if data analytics are offered for detailed insight. Request a demo to see how user-friendly the platform really is.

### *Customer Service and Account Support*

Choose a vendor that prioritizes customer service and has the evidence to prove it. This can vary widely among vendors so check to see if their capabilities will be a good fit for your company. Ask them to walk you through several service scenarios to gain a better understanding and establish expectations.

When it comes to vendor support for your own internal service needs, know what to expect. Will you have a dedicated account manager or specific contact or will you call a generic help line? If you needed help from your current TPA, would you know how to reach someone for a same-day response?

As you do your due diligence when selecting a TPA, look beyond price and ask probing questions.



**Holly Murrah**  
*McGriff MEBS Flex TPA Business  
Development Executive*



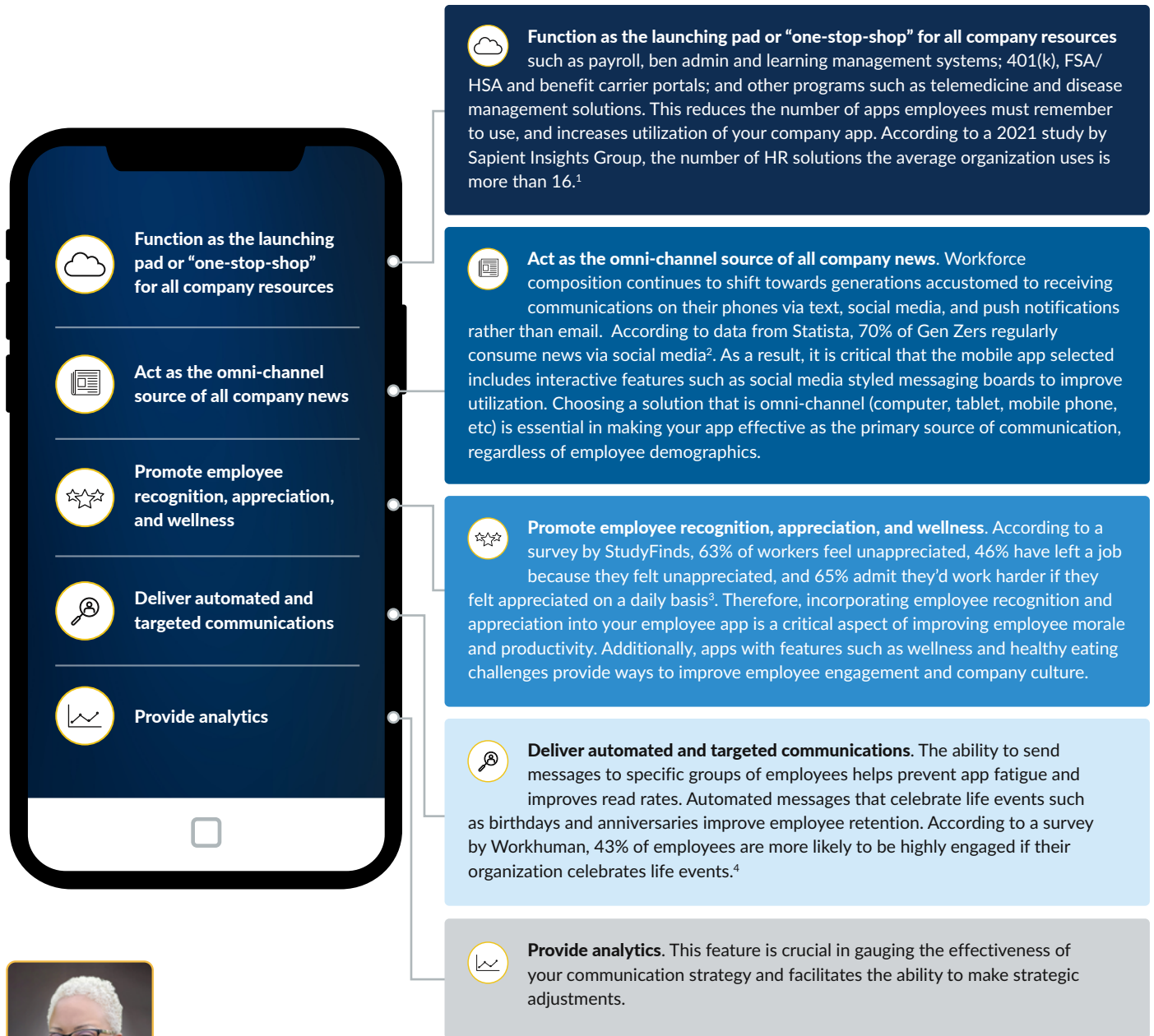
## Do You Need a “Wrap Plan Document”?

As plan sponsors head into 2025, now is the time to ensure your company’s benefit plan documents include all required compliance elements to avoid penalties from regulatory agencies. A wrap plan document can help you do just that and also consolidate required Form 5500 reporting and disclosure obligations.

[Click here](#) for more information about how a wrap plan document can help you check off your compliance goals and avoid potential consequences. Reach out to your McGriff Benefits Consultant if you’d like to start the process to create your wrap plan document.

# Key Features of an Effective Employee Mobile App

Companies considering deploying an employee mobile app to improve their company culture, communication and employee engagement should look for solutions that:



**Kisha Moliere**  
*McGriff Vice President & National Practice Leader,  
 Benefits Administration Technology*

1. Human Resource Executive: HR tech Number of the Week: HR Systems overload <https://hrexecutive.com/hr-tech-number-of-the-week-hr-systems-overload/>
2. Frequency of using social media a source of news in the United States as of August 2022, by generation <https://www.statista.com/statistics/1124159/us-generational-social-media-news/>
3. Study Finds: Survey: 59% of people have NEVER had a boss who 'truly appreciates' their work <https://studyfinds.org/workers-feel-underappreciated-by-boss/>
4. WorkHuman:The Evolution of Work: Finds from the WorkHuman IQ Spring 2023 International Survey Report <https://assets.ctfassets.net/hff6luki1ys4/5WF1Fbx3cU4Rg96Cbldqcw/3ec5c7e90e31b9f80af1ce6819884635/the-evolution-of-work-report-the-value-of-an-employee-first-culture-emea.pdf>

## PCORI Fee Amount Adjusted for 2025

The IRS increased the Patient-Centered Outcomes Research Institute (PCORI) fee amount for plan years ending on or after Oct. 1, 2024, and before Oct. 1, 2025. The updated PCORI fee amount is **\$3.47** multiplied by the average number of lives covered under the plan. For plan years that ended on or after Oct. 1, 2023, and before Oct. 1, 2024, the PCORI fee amount is \$3.22 multiplied by the average number of lives covered under the plan.

PCORI fees generally apply to insurance policies providing accident and health coverage and self-insured group health plans. The PCORI fee applies to plan or policy years ending on or after Oct. 1, 2012, and before Oct. 1, 2029.

PCORI fees are reported and paid annually on IRS Form 720 (Quarterly Federal Excise Tax Return). These fees are due each year by July 31 of the year following the last day of the plan year. For plan years ending in 2024, the PCORI fee is due by July 31, 2025. Employers with self-insured health plans should have reported and paid PCORI fees for 2023 by July 31, 2024.

Visit the IRS' website to learn more about PCORI [fees](#), [due dates](#) and [frequently asked questions](#).

## McGriff Brings You Mineral!

Register

January 21 | 2:00 p.m. EST

McGriff is excited to provide our Employee Benefits clients with MINERAL – a robust web-based HR and compliance resource. Through your McGriff relationship, you have access to **Mineral Live**, a team of HR experts standing by to answer your questions or provide advice on virtually every HR or compliance-related issue; **Mineral Comply**, an award-winning online resource center for all of your workforce issues, including a Living Handbook Builder; and **Mineral Learn**, an incredible online training platform with more than 250 web-based courses for your employee training needs.

Join us to learn about these exciting features and many more within your McGriff-provided Mineral account.



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