



Human Resources Weekly Digest

Eighth Circuit Court Finds Single Document Can Service as ERISA Plan Document and SPD

"The Eighth Circuit Court of Appeals has held that a self-insured medical plan is entitled to reimbursement because its [SPD] was also the plan document. With this ruling, the Eighth Circuit has joined the Fifth, Sixth, Ninth, and Tenth Circuit Courts in concluding that the Supreme Court's ruling in *Cigna v. Amara* does not prevent an SPD from functioning as the plan document in the absence of a 'formal' plan document." [Full Article](#)

The Wagner Law Group



ERISA Fiduciary Acts May Include Failing to Accurately Advise Plan Participants and Beneficiaries

"The Fourth Circuit held that NCG's alleged role in verifying employee eligibility was sufficient to state a fiduciary breach claim. The court also held that the complaint adequately alleged that, by responding to the plaintiff's request for assistance and offering her tailored advice regarding whether to appeal the denial of benefits."

[Full Article](#)

Slevin & Hart, P.C.

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Fifth Circuit Opinion: State Statute Requiring Plan to Honor Assignments is Preempted by ERISA

"The anti-assignment clause at issue here articulates that the assignment of legal rights is prohibited in no less than five different ways. An average plan participant would understand that language to mean exactly what it says a state statute requiring plan administrators to honor assignments made to third-party healthcare providers would necessarily 'relate to' the administration of those plans. We hold that that the Tennessee statute is preempted by ERISA, and that the district court erred in reaching a determination to the contrary." [Full Article](#)

U.S. Court of Appeals for the Fifth Circuit

Two Interesting New Rules Regarding Prescription Drugs—What is Really Going On?

"Through the PBM controlled formularies, the costs of many prescription drugs were hidden from participants because they were categorized as 'preventive care' and provided at no cost to participants. IRS **Notice 2019-45** will change that practice the Departments will not initiate an enforcement action if a group health plan excludes the value of drug manufacturers' coupons from the [out-of-pocket maximum. [Full Article](#)

Trucker Huss

Factors to Consider When Deciding on Stop-Loss Insurance

"Stop-loss insurance is increasingly critical to smaller plans due to an increase in frequency and costs of catastrophic claims, as well as the ACA elimination of annual and lifetime limits on claims for essential health benefits.... Volatile timing and level of claims put pressure on cash flow and reserves. Stop-loss insurance can smooth out the amounts that need to be added to reserves on a regular basis." [Full Article](#)

International Foundation of Employee Benefit Plans



When Ambiguity in Plan Language Costs an Employer \$4 Million

"An employer learned the full cost of ambiguity when a Connecticut federal district court agreed with an employee's widow that the word 'maximum' was ambiguous in the company's life insurance plan, thus making the widow entitled to an additional \$4 million in benefits. This decision serves as a warning for employers sponsoring insured benefits." [Full Article](#)

McDermott Will & Emery