



A Compliance Check Newsletter

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US Labor Department Files Complaint against Colorado-Based Cheese Producer for Discriminating against Minority Job Applicants at California Facility

Back wages and job offers sought for African-American, Asian and Hispanic applicants; debarment from future government contracts recommended

The U.S. Department of Labor's Office of Federal Contract Compliance Programs today filed a complaint with the department's Office of Administrative Law Judges against federal contractor Leprino Foods Co. for discriminating against qualified African-American, Asian and Hispanic applicants for on-call laborer positions at the company's Lemoore West facility.

The administrative complaint seeks back wages and interest for at least 270 class members, as well as job offers for at least 17 of the original applicants. OFCCP also is requesting that Leprino Foods' existing federal contracts be canceled and the company be debarred from entering into any future contracts until the violations are resolved and the company corrects its discriminatory employment practices.

Under Executive Order 11246, federal contractors cannot discriminate in employment practices with regard to race and national origin. Data collected from Leprino Foods showed that the company's use of a job skills assessment called the WorkKeys exam adversely impacted minority applicants. During OFCCP's review, which examined hiring practices for a 22-month period, the agency found that only 49 percent of otherwise qualified minority applicants passed the exam, compared with more than 72 percent of non-minority applicants. OFCCP could not substantiate the employer's claim that the exam measured applied math, workplace observation and information location skills related to the essential functions of on-call laborers. On-call laborers perform a variety of entry-level tasks, including inspecting products, monitoring equipment and maintaining sanitation at the facility.

New Affordable Care Act Proposal to Help Consumers Better Understand and Compare Benefits and Coverage

The U.S. Departments of Labor, Health and Human Services, and the Treasury recently proposed new rules under the Affordable Care Act that will help consumers understand their health coverage and determine the best health insurance options for themselves and their

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families. Likewise, these proposed rules will assist employers in finding the best coverage for their business and their employees. Under the proposed rules, health insurers and group health plans will provide consumers with clear, consistent and comparable information about their health plan benefits and coverage.

The proposed rules would enable consumers both to more easily understand the coverage they already have and, when purchasing new coverage, to make apples-to-apples comparisons of available options. Specifically, the proposed regulations would ensure consumers have access to two forms to help them understand and evaluate their health insurance choices, including:

- An easy to understand summary of benefits and coverage.
- A uniform glossary of terms commonly used in health insurance coverage, such as "deductible" and "co-pay."

All health plans and issuers would provide a summary of benefits and coverage, along with a uniform glossary of terms, to shoppers and enrollees upon request and before they buy coverage. Often, health plans and issuers only provide selective details on the plan or policy before it is purchased, giving consumers a limited understanding of what they are buying. The proposed rules give consumers straightforward, standardized information on their choices upfront, helping them understand the key features of a policy or plan and allowing them to make a more informed decision. Health plans and issuers must also provide notice at least 60 days before any significant modification is made in the plan or coverage during the plan or policy year.

This summary of benefits and coverage would include a new, standardized health plan or policy comparison tool for consumers known as "coverage examples," much like the nutrition facts label required for packaged foods. The coverage examples would illustrate what proportion of care expenses a health insurance policy or plan would cover for three common benefits scenarios — having a baby, treating breast cancer and managing diabetes. Additional scenarios may be added in the future. The examples would help consumers understand and compare their share of the costs of care under a particular policy or plan, and see how valuable the health plan would be at times when they need the coverage.

The proposed rules benefit from the public process led by the National Association of Insurance Commissioners and a working group composed of stakeholders. These stakeholders include representatives of health insurance-related consumer advocacy organizations; health insurers; health care professionals; patient advocates, including those representing individuals with limited English proficiency; and other qualified individuals. During its process, the working group met monthly, invited public input, and conducted consumer testing of the language and forms. Today's proposed regulations adopt the recommendations submitted by the NAIC after that process and request comments on how the forms can be improved