

Health Care Reform Quick Reference Timeline



2010		
Eff. Date	Topic	Description
01/01/10	Small Employer Subsidies	<p>A credit of up to 35% of health insurance premiums paid in 2010 is available to:</p> <ul style="list-style-type: none"> • Employers that pay at least 50% of the employee's health insurance premium • Have fewer than 25 FTE's • Average wages < \$50,000 • Employers with 10 or less FTE's that have average wages of < \$25,000 are eligible to receive the maximum credit available <p>All credits are taken as a General Business Credit on the employer's 2010 Income Tax Return</p>
03/30/10	Update to Federal Tax Code Regarding Dependent Children	<p>Federal tax law is amended so that employers can offer tax-free health insurance coverage to adult children of employees during the taxable years in which the children are age 26 or under for the entire taxable year</p> <ul style="list-style-type: none"> • Tax-free health insurance coverage premiums are available to affected children whether or not those children are actual tax dependents for federal income tax purposes • The tax law change is not retroactive • The tax law change only addresses federal income tax rules and not individual state rules
09/23/10	Expansion of Child Coverage	<p>All dependent children are eligible for coverage under a parent's plan up to age 26 (if not eligible for other group coverage)</p> <ul style="list-style-type: none"> • Effective for plan years beginning on or after 09/23/10
09/23/10	Lifetime Limits Removed	<p>All health plans are amended to unlimited lifetime benefit limits</p> <ul style="list-style-type: none"> • Effective for plan years beginning on or after 09/23/10
09/23/10	Pre-existing Conditions Exclusion for Children	<p>Pre-existing condition exclusions are no longer allowed for children under age 19</p> <ul style="list-style-type: none"> • Effective for plan years beginning on or after 09/23/10
09/23/10	Preventive Care	<p>Preventive care is covered at 100%, not subject to copayments/ deductible or any other member cost sharing</p> <ul style="list-style-type: none"> • Effective for plan years beginning on or after 09/23/10
09/23/10	Emergency Room Services	<p>Emergency Room services must be covered at the in-network level, regardless of provider</p> <ul style="list-style-type: none"> • Effective for plan years beginning on or after 09/23/10
09/23/10	Appeals Process	<p>Mandatory internal and external appeals processes are implemented</p> <ul style="list-style-type: none"> • Effective for plan years beginning on or after 09/23/10

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01/01/11	Reporting Plan Value on W-2	<p>Employer-generated W2 forms will include the combined cost of an employee's medical, dental and vision plans for the 2011 tax year</p> <ul style="list-style-type: none"> • Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs) are excluded from this requirement • Effective for the tax years beginning 01/01/11
01/01/11	OTC Drug Exclusion	<p>Over-the-Counter (OTC) drugs are no longer reimbursable from an employee's FSA, HRA, or HSA unless prescribed by a physician</p>
01/01/11	HSA Non-qualified Expenses	<p>Penalty tax for withdrawal from an HSA for non-qualified expenses is increased from 10% to 20%</p>
01/01/11	Government Long Term Care (LTC) Program	<p>The federal government implements a new public Long Term Care (LTC) program that will require employers to automatically enroll all employees, except for those employees that elect to 'opt out'. Implementation date changed to October 2012.</p>

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2012

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09/23/12	Uniform Explanation of Coverage	All employers providing qualified coverage to individuals must provide covered members with an annual documentation of coverage. <ul style="list-style-type: none"> • The documentation will be federally-prescribed regarding appearance, content, language and timing • Effective for plan years beginning on or after 09/23/12

2013

Eff. Date	Topic	Description
01/01/13	Health FSA Cap	Flexible spending accounts capped at \$2,500 in 2013; indexed in future years
03/01/13	New Employee Notice Requirement	Requires employers to issue a new notice to employees containing information about the upcoming state exchanges

2014

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01/01/14	Individual Mandate	Starting 01/01/14, individuals not enrolled in a "Minimal Essential Coverage" health plan will be penalized <i>the greater of</i> : <ul style="list-style-type: none"> • 1.0% of their AGI or \$95 per person in 2014 • 2.0% of their AGI or \$325 per person in 2015 • 2.5% of their AGI or \$695 per person in 2016 (indexed)
01/01/14	Employer Mandate Pay-or-Play Subsidy	Employers will pay a penalty of \$2,000 per full-time employee if <u>both</u> of the following conditions apply: <ul style="list-style-type: none"> • They have 50 or more full-time employees • They do not offer health insurance to their employees and at least one employee receives a premium subsidy through the exchange Note: the first 30 employees are not counted in the calculation for the penalty
01/01/14	State-based Exchanges	State-based health insurance purchasing exchanges for individuals & small businesses (under 100 employees) are established
01/01/14	Exchange Plans Defined	The federal government will define 4 health plan choices for sale in the exchange: Platinum, Gold, Silver, and Bronze (HSA plan)
01/01/14	Community Rating -- Limits on Age Rating	Limits are established on community rating for all health plans sold in the exchange: <ul style="list-style-type: none"> • Age ratio maximum - 3:1 ratio • 50% surcharge permitted for tobacco use
01/01/14	Employee Vouchers for Exchange	Employers offering health coverage that pay a portion of the cost of that coverage must offer cash vouchers to employees who: <ul style="list-style-type: none"> • Have incomes under 400% of the FPL (Federal Poverty Level) • Have employee contributions under the group health plan between 8.0% and 9.8% of their household adjusted gross income (AGI)
01/01/14	Pre-existing Condition Exclusions Prohibited	Pre-existing condition exclusions are prohibited for all health plan enrollees
01/01/14	Annual Limits Prohibited	The establishment of any annual limits on the dollar value of 'essential benefits' is prohibited
01/01/14	Auto Enrollment	Employers with 200+ full-time employees will automatically enroll new full-time employees with health coverage <ul style="list-style-type: none"> • Employees will have the right to opt out of that coverage • The effective date of this provision is not firmly established, as additional regulations still need to be issued
01/01/14	Waiting Period Restriction	Employers may not impose a waiting period greater than 90 days for the employee to satisfy before getting health coverage
01/01/14	HIPAA Wellness Incentives	HIPAA Wellness incentives are codified, but with a maximum differential of 30%. The Secretary of HHS has authority to raise it to 50%

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2018

Eff. Date	Topic	Description
01/01/18	"Cadillac Plan" Excise Tax	<p>A 40% excise tax is established on excess benefits of high cost employer-sponsored health insurance (excluding dental and vision)</p> <ul style="list-style-type: none">• Limits based on \$10,200/individual and \$27,500/family• Higher indexing for early retirees, high risk industry, age and gender• Applies to tax years beginning 01/01/2018