

Health Care Reform Timeline

CrawfordAdvisors, LLC

2010:

First Plan Year Beginning
After 9/22/10

- a. Eliminate any lifetime maximums on essential benefits.
 - b. Eliminate any annual coverage maximums on essential benefits (GF plans may continue annual maximums until 2014)
 - c. Eliminate any rescission provisions (except for fraud or misrepresentation).
 - d. Eliminate pre-ex limitations for children under age 19.
 - e. Provide for coverage for children until age 26. (GF plans need not provide if other employer-based coverage available.)
 - f. Eliminate cost-sharing for preventive care. (GF plans: N.A.)
 - g. Apply new nondiscrimination rules to insured coverages* (similar, but not identical, to Code Section 105(h) rules). (GF plans: N.A.)
 - h. Permit selection of any primary care provider. (GF plans: N.A.)
 - i. Permit children to select pediatrician as primary care provider. (GF plans: N.A.)
 - j. No pre-authorization required for emergency care. (GF plans: N.A.)
 - k. No pre-authorization or referral required for ob-gyn care. (GF plans: N.A.)
 - l. Provide required internal and external appeals mechanisms. (GF plans: N.A., no stated end-date to the GF-waiver for this requirement)
 - m. "Simple" Section 125 plans available to employers with fewer than 100 employees.
 - n. "Qualified Small Employers" (e.g., generally, fewer than 26 FTEs with average wages of 50K or less) eligible for health plan tax credit.
- * 6/23/10 – New federal re-insurance plan for self-funded early retiree plans opens and continues until \$5B in funding is utilized. *Funds exhausted.*

2011:

- a. OTC drugs not reimbursable from HCFASAs, HRAs and HSAs unless per a prescription.
- b. HSA penalty for ineligible expenses/people moves from 10% to 20%.
- c. Optional CLASS long term care program may be offered or auto enrolled by employers. Delayed until 2012, then completely scrapped by HHS.

2012:

- a. 2011 W2s issued by 1/31/12 must include value of employer health plan coverage. *(Update-10/12/10 - The IRS delayed this requirement - now for 2012 W-2s issued by 1/31/13. And, for Employers with less than 250 EEs, delayed until 1/31/14).*
- b. By 3/23/12, issue to employees new "Uniform Explanation of Coverage" (SBCs) in the form specified in HHS regulations and sample. *(11/18/11 – delayed for final regs; 2/14/12 – must be issued for first plan year on/after 9/23/12).*
- c. Beginning 3/23/12, satisfy requirement of 60 days' advance written notice to participants of health plan "material changes".
- d. For plan years beginning after 9/30/12, pay the required federal fee of \$1 times average number of covered lives (for "Patient-Centered Outcomes Research Trust Fund").
- e. First plan year after 8/1/2012—no cost sharing for preventive women's services (GF plans: N.A.)

2013:

- a. \$2,500 cap on HCFASAs.
- b. Employee Medicare tax increases to 2.35% for Medicare wages over \$250K joint/\$200K separate.
- c. Cease employer deduction for Part D retiree coverage subsidy.
- d. Patient-Centered Outcomes Research Trust Fund fee increases from \$1 to \$2 times average number of covered lives (payment/filing begins 7/31/13).
- e. Comply with HHS regulations on required annual reports to HHS and employees on health plan benefits that "improve health".
- f. Provide employees with HHS information notices about 2014 exchanges and subsidies.

2014:

- a. Provide Employee Free Choice Vouchers to eligible employees. (*Now waived*).
- b. Eliminate waiting periods over 90 days.[^]
- c. Eliminate all pre-ex limitations.[^]
- d. Report minimum essential coverage (MEC) information to employees and regulators & minimum value (MV) in 2nd year SBCs. *(Delayed until 1/31/2016 for EEs and 2/28/2016 to regulators)*.
- e. Provide coverage for "routine costs" incurred in connection with clinical trials. (GF plans: N.A.)
- f. Cease "discrimination" against licensed providers. (GF plans: N.A.)
- g. Ensure that out-of-pocket exposure is no higher than is permitted for HDHPs. For 2014, that means OOPMaxes of \$6,350/ind and \$12,700/family.[^] (GF plans: N.A.)
- h. Ensure that deductibles are no higher than \$2K for self-only coverage and \$4K for other coverages. (GF plans, S.F. plans and Large-ER Plans: N.A.). *As of 4/1/14 – this no longer applies to small-ER plans either. HR4302.*
- i. Qualifying wellness program penalties- rewards may be raised from 20% to 30% of cost (and perhaps as high as 50% for smoking related penalties).
- j. *If 200 or more FTEs, auto enroll employees in health plan*.*
- k. Continue (for year 2) to provide required notices concerning exchanges/PPACA open enrollment and subsidies. (Guidance & model notices still pending).
- l. Decide whether to participate through the exchanges, and whether to permit salary reduction contributions for exchange-based coverage. (Exchanges only open in 2014 for employers with fewer than 50 EEs.)
- m. Play (comply) or Pay (\$2,000/FTE), under play-or-pay rules**.
- n. Grandfathered plans must remove annual maximums on essential benefits.
- o. Grandfathered plans must begin coverage for children until age 26 even if other employment-based coverage is available.
- p. 11/15/14 send headcount to HHS, \$63/head "stabilization-fee" due (from carriers & self-funded plans) by 1/15/15. (Now payable in 2 installments).
- q. Test your variable hour EEs—make certain coverage is offered if they average 130 hours/month.

Footnotes:

*pending regs from the DOL. Not enforced until regs are published.

**Or, \$3,000 (per Exchange-Subsidy-Eligible-EE) if Plan is not avail For 9.5% of family income or doesn't pay out at least 60% actuarial value. Delayed see 2015 & 2016 notes.

[^]For the 1st plan year on/after Jan 1, 2014

+Per HHS guidance, greater than single tier elections must have an imbedded OOPMax that does not exceed the single-tier OOPMax.

2015:

- a. Max deductibles for insured-Non-GF plans is: \$2,050/single and \$4,100 family. *Update: As of 4/1/14 this is waived for all groups of all sizes. HR4302.*
- b. OOPMax \$6,600/single and \$13,200/family.
- c. HSAs, OOPMax \$6,450/single and \$12,900/family.
- d. Premium stabilization fee reduces to \$44/head.
- e. PPACA/Healthcare.gov open enrollment will be from 11-15-2014 to 02-15-2015.
- f. Pay-or-Play applies to ERs with 100 or more EEs.

2016:

- a. Exchanges begin to operate for employers with up to 100 employees. Premium stabilization fee reduces to \$25/head.
- b. Pay-or-Play applies to ERs with 50 to 100 EEs too.
- c. Jan 31, 2016 – IRS 6055/6056 reporting, via IRS Forms 1094/1095 sent to Employees.
- d. March 1, 2016 - IRS Sec. 6055 (insurer reporting) and IRS Sec. 6056 (large ER reporting) due. Due last day of Feb of the year following the reporting year (or March 31 if filing electronically).
- e. OOPMax \$6,850/single and \$13,700/family+.
- f. HSAs, OOPMax \$6,550/single and \$13,100/family

2017:

Exchanges may begin to operate for all sized employers.

2018:

Excise tax on "Cadillac Plans" equal to 40% of excess value over the limit of \$27,500 family, \$10,200 self-only (as adjusted).

2020:

Patient-Centered Outcomes Research Trust Fund fee no longer applicable.

800-451-8519

www.crawfordadvisors.com

in Maryland: 410-771-5500, fax 410-771-0636

in Pennsylvania: 610-971-1776, fax 610-971-0218