

2010-2011 OUTLINE OF EVENTS HEALTH CARE REFORM LAW PROVISIONS

2010

Some changes to your employer-sponsored plans will take place on your open enrollment date after September 23, 2010. Until then, your plan will continue to operate as it does now. While there is a provision that "grandfathers" existing plans and allows members to keep their current products (only would be able to do so if the only plan changes made were to add or delete new employees and any new dependents or for employers that have scheduled plan changes due to a collective bargaining agreement), the new law will require several new elements to be added to all contracts. Those basic elements include:

- Dependent coverage up to age 26 is mandated
- Prohibits lifetime benefit limits on the dollar value of benefits
- Annual benefit limits on coverage will be limited to HHS defined non-essential benefits
- Pre-existing condition exclusions for dependents under 19 years of age are prohibited
- Rescission of health plans, except for fraud and intentional misrepresentation will be prohibited

Other significant changes that are effective in 2010 include:

- Mandates emergency services to be paid as "in-network" benefits
- Mandates coverage for specific preventive services with no cost sharing
- Eligible small businesses are qualified for phase one of the small business premium tax credit
- Federal rate review of insurance premiums is established
- Creates temporary high risk pool coverage
- Internet-based portals with consumer information on affordable coverage will be developed
- Ten percent excise tax for indoor tanning services to be assessed
- Discrimination in favor of highly compensated employees will be prohibited
- Insurance carriers must develop an internal and external appeal process
- Minimum loss ratios for insurance companies are established
- Elimination of employer deductible subsidy under Medicare Part D
- Allows enrollees to designate any in-network doctor as their primary care physician
- Creates temporary reinsurance program for employers providing health insurance to retirees over age 55
- Federal grant program available for small employers providing wellness programs to their employees
- Mandates study on the impact of market reforms for large group and self-insured group plans

2011

- Tax on distributions from a health savings account not used for qualified medical expenses increases from 10% to 20%
- OTC drugs no longer reimbursable under HSA or FSA's unless prescribed by a doctor
- Creates a new public long-term care program
- Employers must include on W-2s the aggregate cost of employer-sponsored health benefits
- New annual fee on pharmaceutical manufacturers and importers of branded prescription drugs
- Small employers allowed to adopt new "simple cafeteria plans"

2012

- Mandates employers to notify enrollees with new summary of benefits
- Employers required to report annually to DHHS regarding coverage benefits and provider reimbursement structure related to quality outcomes
- Expands Business Tax Reporting (1099) to include payments of fixed and determinable income or compensation
- \$2 additional tax per covered individual to fund comparative effective research program

2013

- Limits FSA contributions for medical expenses to \$2,500 per year
- Medicare payroll tax increase
- Medicare tax on investment income
- Reduced tax deductions on medical expenses
- Mandate on employers to notify employees of the "Exchange"
- New 2.3% excise tax on medical device manufacturers

2014

- No pre-existing condition exclusions
- Guarantee issue of all health insurance
- Mandates automatic enrollment of employees of large groups over 200 employees
- Restrictions on community rating for fully insured plans
- State based "Exchanges" created
- Employer required to provide "free choice" voucher to certain employees
- New standard for "qualified" health plan coverage or "essential" benefits
- New tax credits for individuals with low incomes to buy insurance
- Increase in the Medicaid eligibility guidelines
- Employer fines for employers with over 50 employees based on employee income, employer contributions, employee subsidies, employer industry, etc.
- No more than a 90-day waiting period
- Mandates individuals to purchase qualified health insurance coverage
- Mandates employers provide coverage documentation to individuals and IRS
- Workplace Wellness Incentives Available
- Redefines small group coverage as 1 - 100 employees