

Key Elements of Health Care Reform for Employers

2015 & 2016

- Employer shared responsibility; child coverage to end of month of 26th birthday⁶
- Transitional reinsurance fees first due in early/late 2015
- Additional employer and insurer reporting and disclosure (reporting due in early 2016)
- Broad expatriate plan relief available for qualifying plans.
- Auto enrollment some time after 2014 (effective date TBD)

2018

- 40% excise tax on “high cost” or Cadillac employer-sponsored health coverage

2010

- Change in tax treatment for over-age child coverage
- Early retiree medical reinsurance
- Accounting impact of change in Medicare retiree drug subsidy tax treatment
- Medicare prescription drug “donut hole” beneficiary rebate
- Break time/private room for nursing moms

2012

- Employers to distribute uniform summary of benefits and coverage (SBC) to participants
- 60-day advance notice of mid-year material modifications to SBC content
- Form W-2 reporting for health coverage (track in 2012 for W-2 form provided in early 2013)⁴

2014

- Health insurance exchange coverage begins
- Individual coverage mandate⁵
- Financial assistance for exchange coverage of low- and middle-income individuals
- State Medicaid expansion (only in some states)
- Child coverage to age 26²
- No annual dollar limits on essential health benefits² (generally banning stand-alone HRAs for active employees)
- No pre-existing condition limits²
- No waiting period over 90 days (plus 1-month employment-based orientation period)²
- Wellness limit increase allowed²
- Health insurance industry fees
- Additional standards for non-grandfathered health plans, including limits on in-network out-of-pocket maximums, provider nondiscrimination, and coverage of routine patient costs of clinical trial participants
- Small market, non-grandfathered insured plans must cover essential health benefits using a form of community rating
- Insurers must apply guaranteed issue and renewability to non-grandfathered plans of all sizes
- Health Insurance exchanges 2015 open enrollment period (11/15/14 – 2/15/15)
- Comparative effectiveness research (PCORI) fees first due (7/31) for non-calendar year plans (except 11/1 and 12/1 plans)

2011

- No lifetime dollar limits on essential health benefits¹
- Restricted annual dollar limits on essential health benefits; phased amounts until 2014¹
- Child coverage to age 26 (grandfathered plans may limit to children without access to other employer coverage, other than parent’s coverage)¹
- No pre-existing condition limitations for enrollees up to age 19¹ and no rescissions¹
- No health FSA/HRA/HSA reimbursement for non-prescribed drugs (except insulin)
- Increased penalties for non-qualified HSA distributions
- Additional standards for non-grandfathered health plans, including preventive care in-network with no cost-sharing, coverage of emergency services in- and out-of-network, appeal and external review, provider choice, and non-discrimination rules for insured plans³
- Income-based Medicare Part D premiums
- Pharmaceutical importers and manufacturers’ fees start
- Medicare, Medicare Advantage benefit and payment reforms
- Insurers subject to medical loss ratio rules

2013

- \$2,500 (indexed for inflation) per plan year health FSA contribution cap (plan years on or after January 1, 2013)
- Comparative effectiveness research fees first due (7/31) for calendar year plans (and 11/1 and 12/1 plans)
- Employers notify employees about exchanges by Oct. 1, 2013; to new hires thereafter
- Medical device manufacturers’ fees start
- Higher Medicare payroll tax on wages exceeding \$200,000/individual; \$250,000/couples
- Change in Medicare retiree drug subsidy tax treatment takes effect
- Health Insurance exchanges initial open enrollment period (10/1/13 – 3/31/14)

1. Applies to all plans, including grandfathered plans, effective for plan years beginning on or after 9/23/2010 (1/1/2011, for calendar year plans).
2. Applies to all plans, including grandfathered plans, effective for plan years beginning on or after 1/1/2014.
3. Applies to non-grandfathered plans, effective for plan years beginning on or after 9/23/2010, except that insured plan discrimination ban is delayed until regulations issued.
4. A temporary exemption applies to certain categories of employers.
5. A temporary exemption applies to employees of employers with non-calendar-year plans, as well as individuals who enroll in an Exchange plan by 3/31/2014. Other exemptions may also apply.
6. Effective 2015 for applicable large employers with 100 or more full-time employees; effective 2016 for applicable large employers with 50 or more full-time employees. Transition relief for non-calendar year plans may apply.