

## 2010

### Requirement

### Affects

**Early Retiree Reinsurance Program** – This temporary program helps companies that provide early retiree health benefits for those ages 55-64 by reimbursing 80 percent of a portion of certain claims costs. To qualify for this program, employers must apply to HHS.

**Effective Date:** June 2010 – 1/1/2014

Employers

**Small Business Tax Credit** – Initiates the first phase of a small business tax credit of up to 35 percent for qualified small employers for contributions to purchase health insurance for employees with no more than 25 full-time employees and average annual wages of less than \$50,000 that purchase health insurance for employees and contribute at least 50 percent of the total premium. Full credit will be available to employers with 10 or fewer employees and average annual wages of less than \$25,000.

**Effective Date:** The entire 2010 tax year payable in 2011.

Small employers

**Eliminates Pre-Existing Condition Exclusions** – Prohibits imposing pre-existing condition exclusions or limitations on coverage as well as guarantee issue rights for enrollees under age 19.

**Effective Date:** Plan years beginning on or after 9/23/2010

- Individual fully insured
- Group fully insured
- Self-funded plans
- Grandfathered group plans (does not apply to grandfathered individual plans)

**Extends Coverage for Young Adults** – Requires any group health plan or individual plan that offers dependent coverage to permit coverage until the child turns 26 years of age. This requirement extends the exclusion from gross income for employer provided health coverage for adult children up to the end of the calendar year in which the child turns age 26.

**Effective Date:** Plan years beginning on or after 9/23/2010

Note: Health Alliance is implementing prior to 9/23/10 for fully-insured Iowa groups

- Individual fully insured
  - Group fully insured
  - Self-funded plans
  - Grandfathered plans
- For grandfathered group plans, plans may require until 2014 that dependents not be eligible for other employer sponsored coverage.

**Eliminates Lifetime Limits and Restricts Annual Limits** – Prohibits lifetime dollar limits on essential benefits and allows for restricted annual dollar limits on essential benefits until 2014.

**Effective Date:** Plan years beginning on or after 9/23/2010

- Individual fully insured
- Group fully insured
- Self-funded plans
- Grandfathered group plans

Lifetime limit prohibitions apply to all grandfathered plans, but annual limit restrictions only apply to grandfathered group plans, not grandfathered individual plans.

**Covers Preventive Health Services** – Must provide first dollar coverage for certain preventive services and immunizations, certain child preventive services and women’s preventive care and screening.

**Effective Date:** Plan years beginning on or after 9/23/2010

- Individual fully insured
- Group fully insured
- Self-funded plans

Does not apply to grandfathered plans.

**Consumer Assistance** – Requires any new group health plan or new plan in the individual market to implement an effective internal appeals process that provides notice about external and internal review processes and to provide for an external review process (including at a minimum the protections in the NAIC Model).

**Effective Date:** Plan years beginning on or after 9/23/2010

- Individual fully insured
- Group fully insured
- Self-funded plans

Does not apply to grandfathered plans.

**Emergency services** – Must be covered without preauthorization and covered out-of-network the same as in-network.

**Effective Date:** Plan years beginning on or after 9/23/2010

- Individual fully insured
- Group fully insured
- Self-funded plans

Does not apply to grandfathered plans.

**Members select a PCP from any available participating PCP** – (including pediatrician and OB/GYN)

**Effective Date:** Plan years beginning on or after 9/23/2010

- Individual fully insured
- Group fully insured
- Self-funded plans

Does not apply to grandfathered plans.

**OB/GYN** – Prohibits an authorization or referral to OB/GYN.

**Effective Date:** Plan years beginning on or after 9/23/2010

- Individual fully insured
- Group fully insured
- Self-funded plans

Does not apply to grandfathered plans.

**Automatic Enrollment** – Employers with more than 200 employees must automatically enroll all full-time employees as soon as they are eligible. Must provide adequate notice and opportunity to opt-out.

**Effective Date:** Effective upon issuance of DOL Rules

Employers

**Consumer Information through the Web** – Requires the Secretary of the US Department of Health and Human Services (HHS) to establish an Internet website through which residents and small businesses of any State may identify affordable health insurance coverage options in that State.

**Effective Date:** July 1, 2010

Individual consumers, small businesses

**Prohibition of discrimination in favor of highly compensated individuals** – Extends non-discrimination rules to insured plans. Prohibits employers from establishing eligibility rules or levels of coverage that discriminate in favor of highly compensated individuals. Permits the establishment of contribution requirements that differ.

**Effective Date:** Plan years beginning on or after 9/23/2010

Employers

Does not apply to grandfathered plans.

**Provides Immediate Access to Insurance for Uninsured Individuals with a Pre-Existing Condition** – Expands coverage to eligible individuals through State High Risk Pools that do not impose any coverage exclusions for pre-existing health conditions. This temporary provision ends when Exchanges are operational (2014).

**Effective Date:** 90 days after enactment (6/2010)

**Prohibits Rescissions** – May not rescind coverage after enrollment, except in the event of fraud or intentional misrepresentation.

**Effective Date:** Plan years beginning on or after 9/23/2010

Uninsured eligible individuals

- Individual fully insured
- Group fully insured
- Self-funded plans
- Grandfathered plans

## 2011 Requirement

## Affects

**Establishes Conditions for Wellness Programs** – The reward for such programs is increased to 30% of the cost of employee-only coverage.

**Effective Date:** Plan years beginning after December 31, 2010.

Employers

**Required Reporting of Health Coverage Costs on Form W-2** – Employers must disclose the value of the benefit provided by the employer for each employee's health coverage on the annual W-2.

**Effective Date:** Plan years beginning after December 31, 2010.

Employers

Does not apply to HSAs, MSAs or FSAs

**Standardizes Definition of Qualified Medical Expenses** – Conforms the definition of qualified medical expenses for HSAs, FSAs and HRAs to the definition used for the itemized deduction. An exception to this rule is included so that amounts paid for over-the-counter medicine obtained with a prescription still qualify as medical expenses.

**Effective Date:** Plan years beginning after December 31, 2010.

Employers, Individuals

**Increases Additional Tax for Withdrawals from HSAs and Archer MSAs for Non-Qualified Medical Expenses** – Increases the additional tax for HSA withdrawals prior to age 65 that are not used for qualified medical expenses from 10 to 20 percent. The additional tax for Archer MSA withdrawals not used for qualified medical expenses increases from 15 to 20 percent.

**Effective Date:** Plan years beginning after December 31, 2010.

Individuals

**Makes Changes to Cafeteria Plans** – Creates Simple Cafeteria Plans that ease participation restrictions to provide a vehicle through which small businesses can provide tax-free benefits to their employees.

**Effective Date:** Plan years beginning after December 31, 2010.

Small employers

**Wellness Programs** – Provide grants for up to 5 years to small employers that establish wellness programs and meet certain requirements.

**Effective Date:** 2011-2015

Small employers

# 2012

## Requirement

**Uniform Summaries of Benefits** – Provide prior to enrollment new explanation of coverage document including standardized definitions of insurance and medical terms and examples to illustrate common benefit scenarios. New document required in addition to a summary plan description. 60-day advance notice of mid-year changes.

**Employer annual reporting requirements regarding quality of care** – Provide annual report to participants that describes provider reimbursement rates that improve quality of care, including wellness activities.

## Affects

- Individual fully-insured
- Group fully-insured
- Self-funded plans
- Grandfathered plans

- Individual fully-insured
- Group fully-insured
- Self-funded plans
- Does not apply to grandfathered plans

# 2013

## Requirement

**Establishes Administrative Simplification** – Health plans must adopt and implement uniform standards and business rules for the electronic exchange of health information to reduce paperwork and administrative burdens and costs. (eligibility verification, claims status verification, electronic funds transfers, remittance, premium payments, referrals, preauthorizations)

**Effective Date:** 2012-2016

**Employee Notice Regarding Insurance Exchange** – Employers must provide written notice to each employee regarding the Insurance Exchange, including a description of the services and contact information.

**Limits Health Flexible Savings Account Contributions** – Limits the amount of contributions to health FSAs to \$2,500 per year, indexed by CPI for subsequent years.

**Imposes Fee for Funding Patient-Centered Outcomes Research** – Imposes an annual fee insured and self-funded plans to fund the patient centered outcomes research trust fund (PCORTF).

**Medicare Part D** – Eliminates tax deduction for employers who receive Medicare Part D retiree drug subsidy payments

**Effective Date:** Effective for tax years after 12/31/2012

## Affects

health plans

Employers

Employers, Individuals

- Fully-insured plans
- Self-funded plans

Employers

# 2014

## Requirement

## Affects

**Pre-Existing Conditions** – No pre-existing condition exclusions with regards to benefit coverage or eligibility (required guarantee issue) for any individuals.

- Individual fully-insured
- Group fully-insured
- Self-funded plans
- Grandfathered Plans

**Eliminates Annual Limits** – Prohibits annual dollar limits on the amount of coverage an individual may receive.

- Individual fully-insured
- Group fully-insured group
- Self-funded plans
- Grandfathered plans

**Ensuring Coverage for Individuals Participating in Clinical Trials** – Prohibits eliminating coverage for individuals enrolled in a clinical trial (for cancer and other life-threatening diseases); and prohibits denial of coverage for routine care otherwise provided by the plan.

- Individual fully-insured
- Group fully-insured
- Self-funded plans

Does not apply to Grandfathered plans.

**Prohibition on Excessive Waiting Periods** – Precludes waiting periods over 90 days.

Employers

**Individual Requirement to Obtain Coverage** – Most individuals will be required to obtain health insurance coverage or pay a fee.

Individuals

**Employer Responsibility** – Requires employers with 50 or more employees who do not offer coverage to their employees to pay \$2,000 annually for each full-time employee as long as at least one of their employees receives a tax credit; requires employers who offer coverage but who have at least one employee receiving a tax credit to pay the lesser of \$3,000 for each employee receiving a tax credit or \$2,000 for each of their employees total.

Employers

**Second Phase of Small Business Tax Credit** – Implements the second phase of the small business tax credit for qualified small employers.

Small employers

**Premium Rating** – Establishes modified community rating

- Individual fully-insured
- Group fully-insured

**Essential benefits package** – requires coverage for essential benefits. HHS/DOL/IRS to further define essential benefits within the following broad categories: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment, prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; pediatric services, including oral and vision care.

- Individual fully-insured
- Small group fully-insured
- Small group self-funded plans
- Does not apply to large group plans.

Does not apply to Grandfathered plans

## Limits annual out-of-pocket maximum to HSA levels

- Individual fully-insured
- Group fully-insured
- Self-funded plans

Does not apply to Grandfathered plans

**Employer Notice to IRS of Health Insurance Coverage** – Employers that provide Minimum Essential Coverage must report this information by January 31st of the following year.

Employers

**Deductible Limits** – Deductible limits set at \$2,000 single/\$4,000 family.

- Individual fully-insured
- Group fully-insured
- Self-funded plans

Does not apply to grandfathered plans.

**Establishes Health Insurance Exchanges** – Opens health insurance Exchanges in each State. Health care premium tax credits available through the Exchanges. Free Choice Vouchers available for certain employees.

Individual and small group market

**Ensures Choice through a Multi-State Option** – Provides a choice of coverage through a multi-State plan, available nationwide, and offered by private insurance carriers under the supervision of the Office of Personnel Management.

- Individual fully-insured
- Small group fully-insured

# 2018

## Requirement

**Imposes High-Cost Plan Excise Tax** – Imposes an excise tax of 40 percent on insurance companies and plan administrators for any health insurance plan that is above the threshold of \$8,500 for self-only coverage and \$23,000 for family plans.

## Affects

- Health insurance issuers
- Plan Administrators



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