

**Patient Protection and Affordable Care Act, HR 3590
(3/23/10)**

Within 6 months of enactment

Group Insurance

Fully insured and
Self-funded Strategies
Health
Life and AD&D
Disability
Dental
Vision
Voluntary Supplemental Products
Employee Assistance Programs

- no lifetime limits on health plan coverage
- raises the age of dependent for health plan coverage to age 26
- restricts rescissions of health plan coverage
- federal review of health insurance premium rates
- high-risk pool coverage for people who cannot obtain current individual coverage due to pre-existing conditions

Special Plan Designs

Health Savings Accounts (HSAs)
Health Reimbursement
Arrangements (HRAs)
Flexible Spending Accounts (FSAs)
Section 125 Premium Only Plans
Defined Contribution
Multiple Choice Options
Discounted Plans for
Chamber Members

- a temporary re-insurance program for employer health plans providing coverage for non-Medicare eligible retirees aged 55-64 and their families
- grants for small employer-based wellness programs
- elimination of employer deductible subsidy under Medicare Part D
- changes to annual benefit limits on coverage (to be determined by DHHS)
- mandated coverage of specific preventive services with no cost sharing
- mandated coverage of emergency services at in-network level, regardless of provider
- tax credits available for qualified small employer contributions to purchase coverage for employees (fewer than 25 employees and average annual wages < \$40k)

Individual Insurance

Health
Medicare Supplements
Disability
Dental
Long Term Care
Life and AD&D

Services & Support

Patient Advocacy
Billing and enrollment
Employee meetings
COBRA and Continuation
Health Fairs
Wellness Programs

By January 1, 2011

- prohibits over-the-counter drugs as an eligible expense in HSAs, HRAs, and FSAs
- limits FSA contributions for medical expenses to \$2500 per year
- HSA distributions not used for qualified medical expense will be taxed at 20% (up from 10%)
- minimum loss ratio requirements for insurers
- freezes the threshold for income-related Medicare Part B premiums for 2011 through 2019, and reduces the Medicare Part D premium subsidy for those with incomes above \$85k/ individual and \$170k/ couple

Property & Casualty

General Liability
Commercial Property
Workers Compensation
Automobile
Home
Umbrella

- employers must start reporting value of health benefits on W-2 forms
- annual fees on private health insurers

By January 1, 2012

- new federal premium tax on group health plans, whether fully insured or self-insured

By January 1, 2013

- 40% excise tax on insurers of employer-sponsored health plans with aggregate values that exceed \$8500 for individual and \$23000 for family coverage. Values include reimbursements from FSAs, HRAs, and employer contribution to HSAs. Also includes coverage for dental, vision, and other supplementary health insurance.
- threshold for itemized deduction for unreimbursed medical expenses increase from 7.5% of adjusted gross income to 10% for regular tax purposes (waived for individuals age 65+ for tax years 2013-2016)

By January 1, 2014

- all individual and fully-insured group health insurance policies to abide by strict community rating standards, variations only allowed for age (3:1), tobacco (1.5:1), family composition, and geographic region. Experience rating would be prohibited
- coverage must be guarantee issue and be guarantee renewable
- each state must create an Exchange to facilitate sale of qualified benefit plans to individuals and small employers
- employers required to use vouchers for their lower-income employees, normally ineligible to purchase coverage through the exchange
- establish standards for qualified coverage, catastrophic coverage allowed for those 30 and under
- premium assistance tax credits for non-Medicaid eligible with incomes up to 400% of federal poverty level to buy coverage through the exchange
- Medicaid eligibility level is increased to 150% of federal poverty level
- employers with more than 50 full-time employees must pay fine of \$750 per year for each full-time employee they don't cover

- employers with more than 50 full-time employees that have a waiting period of more than 60 days will pay \$600 fine for each employee
- employers with more than 50 employees that offers coverage but has at least one receiving premium assistance will pay the lesser of \$3000 for each receiving assistance or \$750 for each full-time employee
- employers providing qualified coverage to individuals, must provide annual documentation of coverage to individuals and IRS
- employers must provide notice to employees informing them of existence of an Exchange
- all American citizens and legal residents to purchase health insurance coverage, violators are subject to penalty of \$750 or 2% income
- employers of 200 or more employees required to auto-enroll all new employees into available health plan; employees may opt out if they have other coverage
- improves HIPAA bona fide wellness program rules and increases the value of incentives to 50% of premium
- new public long-term care program requiring all employers to enroll employees, unless employee elects to opt out

Business Benefits Insurance Solutions will continue to keep you informed of how these changes will impact your companies, as employers and consumers.
