
Health Care Reform Overview

CPEhr Webinar

Overview of Health Care Reform

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Overview of Health Care Reform

Patient Protection and Affordable Care Act (PPACA, or ACA)

- n Signed into Law March 23, 2010

Highlights

- n Requires US citizens and legal residents to have health insurance,
- n Penalties for not having Health Insurance,
- n Creates State Based Health Exchanges,
- n Premium credits for low income individuals
- n Eliminates pre-existing condition and annual/lifetime benefit limits,

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“You can keep the plan you have”

Grandfathered Plan

Requirements effective “plan year” on or after September 23, 2010

- § No lifetime limits or annual limits on certain benefits,
- § Coverage for children to age 26,
- § No pre-existing condition exclusions for children under 19,
- § No rescission except in case of fraud.

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“You can keep the plan you have”
Until

- § Change Insurance Carrier (Removed 6/17/10)
- § Eliminate a benefit necessary to diagnose or treat a condition,
- § Any increase in co-insurance percentage,
- § Increase in copayment, deductible, or out of pocket maximum greater than medical inflation plus 15%,
- § Decrease in employers contribution rate by more than 5% as a percentage of premium in effect on March 23, 2010,
- § Change in overall annual benefit limit.

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A Year by Year Look at Health Care Reform

2010

- § No lifetime limits,
 - § 100% coverage for preventative coverage,
(US Preventive Services Task Force)
 - § Dependent coverage for adult children to age 26,
 - § No pre-existing condition exclusions for children,
 - § No prior authorization or higher cost sharing for emergency services out of network,
 - § Nondiscrimination in favor of highly compensated employees
(Delayed)
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A Year by Year Look at Health Care Reform

2011

- § No pre-tax reimbursements from “health accounts” for non-prescribed, over the counter medications,
- § 20% tax on nonqualified HSA withdrawals,
- § Reporting the value of employer sponsored coverage on w-2's (delayed)
- § Automatic enrollment in long term care program, employer may opt out (delayed),
- § Drug company fees: \$2.5 billion in 2011, \$4.2 billion in 2018

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A Year by Year Look at Health Care Reform

2012

- § Uniform explanation of coverage,
- § Pre-enrollment document sent explaining benefits and exclusions,
- § 60 day notice for material modifications, if not provided in uniform explanation of coverage,

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A Year by Year Look at Health Care Reform

2013

- § FSA contributions limited to \$2,500,
- § New federal employer tax, \$2.00 per covered individual per plan year
- § Medicare payroll tax increase from 1.45% to 2.35%,
- § Employer notice to employees of exchanges, premium subsidies, and free choice vouchers,

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A Year by Year Look at Health Care Reform

2014

- § Individual mandate,
- § Individual penalties for not purchasing coverage,
- § Guaranteed issue,
- § State health exchanges effective
- § Standard benefit plans, (bronze, silver, gold, platinum),
- § Waiting period not more than 90 days,
- § Employer penalties for not offering coverage or at least one FTE receives a tax credit,
- § Health insurance company fees: \$8 billion 2014, \$14.3 billion 2018, 2019 prior year amount increased by premium growth rate.

2018

- § Cadillac Tax. 40% tax on plans value in excess of \$10,200 single, \$27,500 family.

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Employer Requirements – Effective 2014

Employers with >50 employees:

- n If coverage is not offered by employer and one FTE receives a premium tax credit, will pay a fee of \$2,000 per FTE, excluding the first 30 ee's.
- n If “affordable” coverage is not offered and one FTE receiving a premium tax credit, lesser of \$3,000 for each employee receiving a tax credit or \$2,000 for each FTE. Affordable coverage is employee cost less than 9.5% of household income and actuarial value of plan is at least 60%. Voucher required if employee contribution exceeds 8% of household income.

All Employers:

- n Employers that offer coverage are required to provide a free choice voucher to employees with incomes less than 400% FPL, whose share of premium exceeds 8% but less than 9.8% of their income and who chose to enroll in a plan in the Exchange.
- n Voucher equal to what employer would have paid to provide coverage under employer's plan. Employer providing free choice vouchers is not subject to penalties.

Employers with 200 or more employees

- n Required to automatically enroll employees into health plans offered by employer. Employee may opt out.

Health Care Reform Web Resources

<http://www.healthcare.gov>

<http://www.kff.org>

<http://www.uspreventiveservicestaskforce.org>

Thanks for attending.