



**Fibre Box Association Meeting
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Health Care Reform Update

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Topics

- Timeline of PPACA requirements
- W-2 Reporting of health plan coverage value
- Women's Preventative Services
- Supreme Court case
- Uniform Explanation of Coverage
- 2012 Elections
- 2013 and beyond
- Possible use of State insurance exchanges

Patient Protection and Affordability Act Implementation Timeline for Benefit Plans

2010	2011	2012-2013	2014	2015-2018
Establishment of Federal government high risk pool.	No lifetime limits.	W-2 reporting of health plan coverage. (1/1/12)	State health insurance exchanges established. Midsize employers (50-100 Employees) can use exchange as their health plan.	2015: Electronic claims processing, enrollment and premium payment mandatory.
Prohibition on incentives to dis-enroll from employer plan.	Annual benefit dollar limits restricted.	\$2500 health FSA limit. (1/1/13)	Large employers (50+ Employees) must provide health plan or pay fine.	2017: States can allow larger (>100 Employees) to use exchange for their health plan.
Retiree health reinsurance assistance.	No pre-existing condition exclusion for children under age 19.	Itemized medical expense deduction increased from 7.5% to 10%. (1/1/13)	Individuals must secure health coverage or pay penalty tax.	2018: Cadillac plan excise tax starts.
Small business employee health insurance tax credit.	Adult children covered thru age 26.	Medicare Part D subsidy deduction eliminated. (1/1/13)	Employers must provide free-choice vouchers to certain participants.	
Adoption assistance credit expanded.	First dollar coverage for preventative care.	Mandatory electronic funds transfer/eligibility systems. (1/1/13)	Automatic employee health plan enrollment required (200+ employees).	
	Participants choose primary care physician/OBGyn.	FICA Medicare tax increased from .145% to .235% for wages over \$200,000 (\$250,000 married filing jointly). (1/1/13)	No pre-existing condition exclusion allowed.	
	No FSA reimbursements for over-the-counter drugs.	Employer must notify employees of new state health insurance exchange. (3/1/13)	Waiting periods limited to 90 days.	
	No HCE discrimination in insured health plans.	Uniform explanation of coverage provided to participants. (open enrollments beginning on or after 9/23/2012)	Cost-sharing amounts capped.	
	Rescission for fraud only.	\$2/covered person tax for health plans. (Plan years ending after 9/3/2012)	Annual limits removed.	
	ERISA-like appeal procedures for church/government health plans.		Maximum health premium discount for wellness program participation increased from 20% to 30%.	
	20% excise tax on non-qualified HSA & MSA expenditures.		Group health plan must report coverage by individual to IRS.	
	Simple Cafeteria plans available for small employers (≤ 100 employees)		CHIPRA premium assistance becomes mandatory for states.	

W-2 Reporting of Value of Health Plan coverage

- Employer and employee contributions.
- Discriminatory executive coverage.

Women's Preventive Services

- Effective Policy or plan years after August 1, 2012
- Following items: (1) well women visits; (2) gestational diabetes testing; (3) HPV testing; (4) STD counseling; (5) HIV counseling; (6) Contraceptive methods and counseling; (7) breast feeding support and supplies; (8) screening and counseling for interpersonal and domestic violence.
- Religious Organization exemption: (1) Inculcation of religious values is purpose; (2) primarily employs persons who share religious tenets of church; (3) services persons primarily persons of the faith; and (4) is a non-profit entity.
- New White House proposal

Supreme Court Case

- National Federation of Independent Business v. Sebelius; Florida v. Dept of Health and Human Services; Florida v. Dept of Health and Human Services.
- Individual Mandate and commerce clause.
- Severability
- Ripeness of dispute

Uniform Explanation of Coverage

- “Four page” summary of benefits and coverage (four double-sided pages plus four page glossary of terms)
- Must be distributed with open enrollment materials for open enrollments beginning on or after September 23, 2012
- Must be distributed with new employee materials and with other non-open-enrollment materials beginning on the first day of the plan year that begins on or after September 23, 2012 (that is, January 1, 2013 for calendar-year plans).
- Final regulations and updated model template released on February 9, 2012.
- Applies to grandfathered plans

2012 Elections

- Presidential
- House and Senate

2013 and Beyond

- Plan on implementing
- 2013: (1) \$2500 limit on health FSA; (2) FICA Medicare tax increase; (3) Notice of new state insurance exchanges; (4) \$2 per covered person tax (2012?)
- 2014: (1) Mandated coverage or pay fine; (2) State insurance exchanges.

Possible Use of State Insurance Exchanges

- By January 1, 2014, each state must establish a health insurance exchange.
- Beginning in 2014, midsize employers (50-100 employees) can use exchange as their health plan.
- Beginning in 2017, states can allow large employers (>100 employees) to use exchange as the employer's health plan.