



# Timeline Of Health Insurance Reform

Insights

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As everyone knows, the Patient Protection and Affordable Care Act was upheld in a somewhat surprising Supreme Court decision last month. (For a recap of the decision see our [Legal Alert](#) on the case).

Set out below is a timeline of changes, deadlines, and in some cases decisions, that will face employers going forward. As always if you have any questions, just give one of the Fisher Phillips benefits attorneys a call.

Reform	Effective Date
W2 inclusion of cost of employer-sponsored health coverage for employers who filed more than 250 Forms W2 in prior year.	2012 Forms W2, due 1/31/13
Medical Loss Ratio Rebates to be paid by insurers. Employers may need procedures in place governing how such amounts will be treated and allocated.	8/1/12
New standardized summary of benefits and coverage (SBC). 60-day advance notice of any material change.	The initial distribution of SBCs was delayed to open enrollment periods beginning on or after 9/23/12.
Extension of Waiver of Annual Limits: Plans wanting to extend their waiver of the restrictions on annual limits must reapply by deadline.	12/31/12
Self-funded health plans must pay comparative effectiveness fee of \$1 in 2013 (then increased to \$2) per participant. Insurance carriers pay fee for fully-insured policies/plans. Scheduled to end 2020.	Plan Years/Policy Years ending after 9/30/12
Group plans must report annually to HHS and plan participants about plan benefits designed to improve the quality of care	Upon issuance of regulations
Automatic enrollment for large employer plans (more than 200 F/T employees) . Employers must provide notice of auto enrollment and opportunity to opt out.	Upon issuance of regulations

Non-discrimination rules for 401(k) and 408(a) plans to fully insured plan sponsors that will be effective 1/1/13

Non-discrimination rules of ERISA apply to fully-insured non-grandfathered plans	Upon issuance of regulations
Elimination of employer deduction for subsidy under Medicare Part D (immediate impact on employers' liability and income statements)	ER Tax Years beginning after 12/31/12
Health FSA max election of employee salary deferrals limited to \$2,500	1/1/13
Additional .9% Medicare tax on wages and self-employment income for individuals earning more than \$200,000 (\$250,000 MFJ). New 3.8% Medicare tax on the lesser of 1) net investment income or 2) the portion of MAGI exceeding \$200,000 (\$250,000 MFJ)	1/1/13
Threshold for the itemized deduction for unreimbursed medical expenses increased from 7.5% of AGI to 10% of AGI for regular tax purposes (waived for individuals age 65 and older for tax years 2013 through 2016)	1/1/13
Employer notice of availability of Exchanges and if employer contribution is <60% of cost, availability of premium assistance and fact that employee will lose employer contribution to coverage in Exchange	3/1/13
National health insurance Exchanges begin, to be administered by a new federal Agency, the "Health Choices Administration." The categories of people and businesses qualified to purchase coverage through the Exchange would be phased in over three years' time to up to 100 employees and the commissioner has the authority to expand the Exchange to larger groups	2014-2016
Health Insurance Premium Assistance Credit and/or cost sharing reduction for households with income 100-400% of poverty line	1/1/14
Individuals must have minimum essential health insurance coverage for themselves and their dependents	1/1/14
Employer reporting to IRS whether health coverage offered to F/T employees	1/1/14
Standards for qualified coverage, including mandated benefits, cost-sharing requirements, out-of-pocket limits and a minimum actuarial value	1/1/14
Play or Pay: Employers must offer coverage or, if they employ at least 50 full-time equivalent (based on 120 hours/month or 30 hours/week) employees, they must pay a fine. Coverage must meet the essential benefits requirements and maximum employee contribution to be compliant	1/1/14
No waiting periods longer than 90 days	No waiting periods longer than 90 days
No annual limits on benefits allowed	Plan Years beginning on and after 1/1/14

Elimination of all pre-existing condition limitations or exclusions on all participants	Plan Years beginning on and after 1/1/14
Wellness incentives increased from 20% to 30% of the cost of employee-only coverage	1/1/14
Cadillac plan tax: 40% on coverage in excess of \$10,200 for single coverage or \$27,500 for family coverage. Paid by employer if self-insured and by carrier if fully-insured.	1/1/18