

Health Care Reform

A Timeline of Upcoming Changes

2010	2011	2013	2014	2015
<ul style="list-style-type: none"> • Tax credit for some small employers who pay at least 50% of the employee only costs with 25 or less employees (part time employees count as a fraction) and an average annual wage of \$50,000 or less • Effective July 1st, Individuals who are not able to purchase coverage due to health issues/conditions will have access through high risk pools (this provision will expire in 2014) • The following provisions will be effective on the first day of the plan year after 9/23/09. This means that for calendar year plans the effective date will be January 1, 2011. <ul style="list-style-type: none"> ○ Limited caps on lifetime and annual maximum ○ Dependent children will be covered to age 26 if not eligible for coverage of their own ○ Insurers will not be able to rescind coverage if an individual gets sick (except for cases of fraud) ○ Children cannot be excluded due to pre-existing conditions 	<ul style="list-style-type: none"> • Establishes a national, voluntary insurance program for purchasing community living assistance services and supports, known as the CLASS Act. All working adults will be automatically enrolled in the program unless they choose to opt-out. Benefits under this program will not be available until 5 years after initial enrollment. • Employers must disclose value of health plans to employees on W2 forms • Costs for over the counter (OTC) medications will no longer be eligible for reimbursement under Flexible Spending Accounts (FSA's) or Health Savings Accounts (HSA's) • Increase tax to 20% on non-qualified Health Savings Account and Medical Savings Account distributions (previously 10%) • Insurers must spend 80% to 85% of premium dollars on health care (depending on employer size) 	<ul style="list-style-type: none"> • Limits on Flexible Spending Account contributions to \$2,500, indexed to Consumer Price Index • Threshold for medical expense tax deduction increases from 7.5% to 10% for all but the elderly (who retain the 7.5% level through 2016) • Medicare payroll tax increase from 1.45% to 2.35% for individuals earning \$200k and families earning \$250k • Also, 3.8% tax on some investment income for individuals above the same income levels 	<ul style="list-style-type: none"> • Exchanges available (state based) for eligible individuals and small employers – Coverage offered through exchanges will need to meet certain requirements • New hire waiting periods exceeding 90 days will no longer be allowed • Credits available to individuals & Families up to 400% (\$22,000 for a single or \$88,000 for a family of four) of the Federal Poverty Level. Insurers not able to exclude anyone from coverage due to pre-existing conditions. • Penalties for individuals not having insurance coverage <ul style="list-style-type: none"> ○ \$95/person, \$285/family or 1% of income • Employers with 50+ employees who do not offer coverage will be required to pay a penalty of the lesser of: <ul style="list-style-type: none"> ○ \$3,000 per employee receiving federal premium assistance; or ○ \$2,000 annual fee per employee for each full-time employee (minus the first 30 employees) 	<ul style="list-style-type: none"> • Penalties for individuals not having insurance coverage <ul style="list-style-type: none"> ○ \$325/person, \$975/family or 2% of income
2016				
<ul style="list-style-type: none"> • Benefits could begin to be received under the CLASS Act (Community Living Assistance Services and Support Act) • Penalties for Individuals not having insurance coverage can reach 2.5% of income 				
2018				
<ul style="list-style-type: none"> • 40% excise tax on insurers when aggregate premiums are in excess of \$10,200/\$27,500 (single/family) • Dental and vision plans are excluded from the above (as are disability, life and post-tax voluntary benefits) 				