

# Where are we now

## Key elements of health reform for employers

- Change in tax treatment for over-age dependent coverage
- Accounting impact of change in Medicare retiree drug subsidy tax treatment
- Early retiree medical reinsurance
- Medicare prescription drug “donut hole” beneficiary rebate
- Auto-enrollment of full-time employees (effective TBD)
- Break time/private room for nursing moms

- Employers must distribute uniform benefit summaries to participants
- Employers must provide 60-day advance notice of material modifications (effective TBD)
- Form W-2 reporting for 2011 health coverage
- Group health plan fees begin

- Health insurance exchanges
- Individual coverage mandate
- Financial assistance for exchange coverage of low-income individuals
- Medicaid expansion
- HIPAA wellness limit increases
- Shared responsibility penalties
- Free-choice vouchers
- Additional reporting and disclosure

- Dependent coverage to age 26 for any covered employee’s child\*\*
- No annual dollar limits\*\*
- No pre-existing condition limits\*\*
- No waiting period over 90 days\*\*
- Additional new standards for new or “non-grandfathered” health plans, including limited cost-sharing
- Health insurance industry fees begin

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- Dependent coverage to 26 (grandfathered plans may limit to children without access to other employer coverage, other than parent’s coverage)\*
- No lifetime dollar limits\*
- Restricted annual dollar limits, phased amounts until 2014\*
- No pre-existing condition limitations for enrollees up to age 19\*
- No rescissions\*
- Additional standards for new or “non-grandfathered” health plans, including non-discrimination provisions for insured plans and mandatory preventive care in network with no cost-sharing

- No health FSA/HRA/HSA reimbursement for non-prescribed drugs
- Increased penalties for non-qualified HSA distributions
- Voluntary long-term care “CLASS” program slated to start
- Pharmaceutical manufacturers’ fees start
- Medicare, Medicare Advantage benefit and payment reform
- Insurers subject to medical loss ratio rules

- \$2,500 health FSA contribution cap (indexed)
- Medical device manufacturers’ fees start
- Higher Medicare payroll tax on wages exceeding \$200,000/ individual; \$250,000/couples
- New tax on net investment income for taxpayers with incomes exceeding \$200,000/ individual; \$250,000/couples
- Change in Medicare retiree drug subsidy tax treatment takes effect

- Excise tax on “high cost” or Cadillac plans

\* Applies to all plans, including “grandfathered” plans, effective for plan years beginning on or after Sept. 23, 2010 (Jan. 1, 2011, for calendar year plans).

\*\* Applies to all plans, including grandfathered plans, effective for plan years beginning on or after Jan. 1, 2014.