

## CAPLAW Health Care Reform Timeline

The Patient Protection and Affordable Care Act, modified by the Health Care and Education Reconciliation Act, became law in March 2010. The reform provisions included in both acts have effective dates ranging from now to January 1, 2018. The provisions most relevant to community action agencies and their clients are included in the timeline below.

For more information, visit <http://www.caplaw.org/healthreformnews.html>.

Date	Reform Provision
Now	Small employers who provide health insurance to employees may be eligible for a small business tax credit. Employers must have no more than 25 full-time equivalent employees, pay average annual wages that do not exceed \$50,000, and contribute to at least 50 percent of the premium costs of each employee's health plan.
	Employers who provide health insurance to early retirees may apply for the early retiree reinsurance program. Applications are available at <a href="http://www.hhs.gov/ociio/regulations/errp/">http://www.hhs.gov/ociio/regulations/errp/</a> .
	Employers must provide reasonable break time and a private location for nursing mothers to express breast milk.
	Employers with more than 200 full-time employees that offer employees enrollment in a health benefits plan must automatically enroll new full-time employees. <sup>†</sup>
	Employees' health coverage of non-tax-dependent children who are under age 27 at the end of a taxable year is now generally tax-free to employees.
	Individuals with pre-existing conditions may receive health insurance through a national temporary high-risk pool run by the U.S. Department of Health and Human Services.
	Medicare recipients who incur costs while in the Medicare "donut hole" will receive a \$250 rebate.
	<a href="http://HealthCare.gov">HealthCare.gov</a> , run by HHS, provides an insurance finder and information for individuals and employers.
Plan Year after 9/23/10	Plans that provide dependent coverage of children must provide coverage to adult children until the children turn 26 years old, regardless of marital or student status.* Between 2011 and 2014, grandfathered group health plans may deny coverage to dependent children under age 26 who are eligible for health insurance from another employer.
	Plans may not establish lifetime limits on the dollar value of benefits.*
	Plans must not establish annual limits on the dollar value of benefits less than levels set out by Secretary of HHS.*

Date	Reform Provision
Plan Year after 9/23/10	Plans may not deny coverage to children under the age of 19 with a pre-existing condition.*
	Insurers may not rescind health plans once an enrollee is covered by a plan, except in cases of fraud or intentional misrepresentation.*
	Plans cannot discriminate in favor of highly paid employees, such as offering plans to executive staff only.**
	Plans must provide an external appeal process for denied claims.**
	Plans must provide 100% coverage of preventive care, such as immunizations and certain screenings.**
	Plans that provide emergency services may not impose cost-sharing requirements for out-of-network emergency services that exceed in-network cost sharing.**
	Plans must provide participants greater freedom in designating primary care providers, such as pediatricians for children.**
	Plans must grant women access to obstetricians and gynecologists without a referral.**
1/1/11	Employers must report the cost of employer-sponsored health plan coverage on their employees' W-2 forms. This requirement applies to 2011 W-2 forms distributed in 2012.
	Employees who contribute to health reimbursement accounts or flexible spending accounts may not receive reimbursements on over-the-counter drugs. Employees who contribute to health savings accounts or Archer Medical Savings Accounts may not receive tax-free reimbursements on over-the-counter drugs. Employees may only use such accounts for prescription drugs and insulin.
	Insurers must submit justifications for unreasonable premium increases to HHS and relevant states.
	Seniors who reach the Medicare "donut hole" will receive a 50 percent discount on brand-name prescription drugs.
3/23/12	Employers must provide 60-days' advance notice of any material modification to benefits.
	Employers must provide a summary of benefits and a coverage explanation to all participants at the time of enrollment and each subsequent year during enrollment.
1/1/13	Employees' contributions to flexible spending accounts may not exceed \$2,500 per year, increased annually by the cost of living adjustment.
	Employers will no longer receive tax deductions for Medicare Part D drug subsidy payments.

Date	Reform Provision
1/1/14	States must establish American Health Benefit Exchanges for individuals to purchase health plans and Small Business Health Options Program (SHOP) Exchanges for employers with no more than 100 employees to purchase health plans for their employees.
	Individuals with incomes up to 400 percent of the federal poverty line who purchase health plans through Exchanges will receive premium tax credits and cost-sharing subsidies.
	Employers with 50 or more full-time employees must offer affordable health insurance or pay an annual fee if at least one full-time employee receives a premium tax credit through an Exchange.
	Employers that offer health insurance must pay an annual fee if an employee's premium contribution exceeds 9.5 percent of the employee's household income and at least one full-time employee receives a premium tax credit through an Exchange.
	Employers that offer health plans with premiums that cost employees between 8 and 9.8% of their income may avoid penalties by providing employees free choice vouchers to purchase plans through an Exchange.
	Employers and health insurance issuers may not apply more than 90-day waiting periods to begin coverage.*
	Plans must remove all annual limits on essential benefits.*
	Plans must accept individuals with pre-existing conditions.*
	Plans must limit out-of-pocket expenses for individuals with incomes up to 400 percent of the federal poverty line.
	Plans in the small group market must limit deductibles to \$2,000 for individuals and \$4,000 for families annually.
	Insurers may not vary premium rates based on factors other than age (limited to 3:1 ratio), premium rating area, family composition, and tobacco use (limited to 1.5:1 ratio).
	Individuals must maintain health insurance for themselves and their dependents or pay an annual tax penalty.
	States must expand Medicaid eligibility to individuals at or below 133 percent of the federal poverty line.
1/1/17	States may permit businesses with more than 100 employees to purchase health plans through SHOP Exchanges.
1/1/18	Issuers of health plans will be subject to a 40 percent excise tax on the value of individual plans that exceed an annual amount of \$10,200 and on the value of family plans that exceed an annual amount of \$27,500.

<sup>†</sup> This provision may be in effect now, but will likely go into effect when the Department of Labor issues regulations.

\* Applies to grandfathered and non-grandfathered plans.

\*\* Applies only to non-grandfathered plans.