

The Employer's Essential

HEALTH CARE REFORM CHECKLIST 2013-2014

Are your health benefits
PPACA "Bullet Proof?"



Employee Choice - Employer Control - Better Benefits

*The Employer's Essential***HEALTH CARE REFORM CHECKLIST 2013-2014****Introduction**

Health care reform is changing the landscape of employee health benefits.

On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA), also referred to as health care reform. PPACA introduced several new laws and regulations that impact businesses of all sizes.

The following health care reform checklist outlines 13 key PPACA compliance issues employers may need to complete in 2013, 2014, and beyond. The checklist assumes compliance in 2010-2012.

How do you know which compliance issues relate to your company's type of health benefits? The checklist includes notations for which types of benefits each regulation applies to, including employer-sponsored group health insurance plans, stand-alone Health Reimbursement Arrangements (HRAs), and/or Flexible Spending Accounts (FSAs).

Checklist Key	
	Applicable for companies offering an employer-sponsored group health insurance plan .
	Applicable for companies offering a stand-alone HRA (where the HRA is <i>not linked</i> to a group plan).
	Applicable for companies offering a Flexible Spending Account (FSA) to employees.

Why Does PPACA Matter?

Most employers look at PPACA regulations and ask, “how will PPACA impact our bottom line?” As an employer, you understand that offering employees access to quality health benefits gives you a competitive edge on recruitment and retention. But the high costs of traditional group health insurance can be a challenge to businesses of any size.

Luckily, health care reform offers new opportunities for businesses and employees to take advantage of cost-savings with a defined contribution health plan. A defined contribution health plan pairs a [stand-alone Health Reimbursement Arrangement](#) (HRA) and the individual premium tax subsidies to create cost savings for both the employer and employees. We'll discuss this option in the “play or pay” section of the checklist. The checklist also notes compliance items for companies already offering a stand-alone HRA.

Being 100% confident that your company is PPACA compliant, as well as taking advantage of these new cost-saving opportunities, will help your company thrive amidst health care reform changes.

DISCLAIMER

The information provided herein by Zane Benefits is general in nature and should not be relied on for commercial decisions without conducting independent review and analysis and discussing alternatives with legal, accounting, and insurance advisors. Furthermore, health insurance regulations differ in each state; information provided does not apply to any specific U.S. state except where noted. See a licensed agent for detailed information on your state. www.zanebenefits.com

Share This Guide



2013-2014 Health Care Reform Checklist

Compliance Issues 2013

1. Grandfathered Plan Status



Group

A grandfathered plan is defined as being in existence when health care reform was enacted on March 23, 2010. If you make certain changes to your plan, your plan is no longer grandfathered. Such changes include significantly cutting or reducing benefits; raising the co-insurance, co-payments, or deductibles; changing insurance companies; etc.).

See: [What is a Grandfathered Health Insurance Plan?](#)



If you have a grandfathered plan: Determine whether it qualifies to maintain grandfathered status.



If you've changed to a non-grandfathered plan: Confirm the plan has first-dollar benefits for preventive care, includes "essential health benefits," and meets patient rights and benefits required by PPACA including coverage of adult children up to age 26.

2. Annual Limits



Group

HRA

PPACA prohibits health insurance plans from imposing annual or lifetime limits on essential health benefits (EHB). Unless a health plan receives an annual limit waiver, the requirement for annual limits on EHB phases in as follows:

- ✓ **September 23, 2012 through December 31, 2013:** Not less than \$2 million per participant.
- ✓ **January 1, 2014 and beyond:** No annual limits allowed.

See: [ACA Annual and Lifetime Limits Requirements](#)



If you offer a group plan: Identify the plan's current annual limits on essential health benefits (EHBs). Amend plan documents and/or insurance policies to modify or remove limits as applicable.



If you offer a stand-alone HRA: Confirm the plan design meets the definition of one of the five HRAs excluded from annual limit requirements. As needed, modify HRA plan design for compliance.

See: [Annual and Lifetime Limits for HRAs](#)

3. Summary of Benefits & Coverage (SBC)



Group

HRA

The [Summary of Benefits and Coverage \(SBC\)](#) is a required, easy-to-understand summary of the benefit.



Determine who will prepare and provide the SBC documents. Normally it will be your insurer, HRA provider, or third-party administrator.



Add SBC to open enrollment/welcome packets, and provide the SBC at least thirty (30) days before plan year begins.



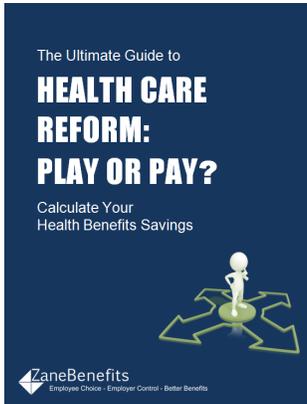
Add SBC to new-hire packets (or initial enrollment packets, if you have a waiting period).

4. Decide Your “Play or Pay” Strategy for 2014

✓ Group HRA

Starting January 1, 2014, PPACA requires all applicable large employers (50+ FTE employees) to EITHER provide qualified, affordable health insurance OR pay a penalty based on full-time employees.

IMPORTANT: Employers with less than 50 FTE employees are NOT subject to this requirement.



- Determine if you are subject to the Play or Pay rules (Do you have 50+ FTE employees in 2014?). See guide to the left for instructions on how to calculate your FTE.
- If over 50 FTE employees, conduct a cost analysis to determine if you will:
 - Play** (Offer a qualified, affordable group health insurance plan)
 - Pay** (Choose to not offer a group health insurance plan, and pay applicable penalties)
 - Play Differently** (Choose to not offer a group health insurance plan, pay penalties, and offer a defined contribution health plan)

Tip: Unsure of the best strategy? This guide will walk you through 1) how to calculate if you're an applicable large employer, and 2) how to calculate your Play or Pay options (ie: potential cost savings).

→ NOTICE: This obligation was recently delayed to January 1st, 2015 ←

5. W-2 Reporting Requirements

✓ Group HRA

Beginning with the 2012 tax year, employers with 250 or more W-2 Form Employees must report the aggregate cost of employer-sponsored group health coverage on employees' W-2 Forms.

- If you offer a group health plan:** Determine if the W-2 requirement applies to you (over 250 W-2 Form employees). W-2 reporting for smaller employers is optional until further guidance is issued.
- If it does apply, identify employer-sponsored coverage that must be reported annually, and implement payroll process.
- If you offer a stand-alone HRA:** W-2 reporting for stand-alone HRAs is *optional* until further guidance is issued.
See: [HRAs and W-2 Annual Reporting](#).

6. Sixty (60) Day Notice of Plan Changes

✓ Group HRA

A health plan or issuer must provide 60 days advance notice of any mid-year “material modifications” to the plan. Notice can be provided in an updated SBC or a separate summary of material modifications.

- Provide written notice of any material modifications to plans (that are not related to renewals of coverage). Notice needs to be provided at least sixty (60) days in advance to all eligible individuals.

7. Notice of Coverage Options through the Marketplaces



Group

HRA

Employers must provide written notice to all current employees (regardless of full-time/part-time status) about coverage options through the Marketplaces.

For details on the notice see:

[Employer ACA Marketplace Notice Requirements](#)



Notice must be provided to all employees **by October 1, 2013**, and to new employees at time of hire thereafter.



Determine who will provide notice, and how. The Department of Labor has provided two templates for employers to use:

1. Employers Offering a Group Health Plan
2. Employers Not Offering a Group Health Plan



Add notice to new hire packet.

8. CER Plan Fees



Group

HRA

PPACA created the Patient-Centered Outcomes Research Institute (PCORI) to help patients, clinicians, payers, and the public make informed health decisions by advancing comparative effectiveness research. The Institute's research is to be funded, in part, by fees paid by health insurance issuers and sponsors of self-insured health plans. These fees are called comparative effectiveness research fees or CER plan fees.



Self-funded plans and health insurance issuers (including stand-alone HRAs) must pay a \$1 per covered life fee for comparative effectiveness research.

Fees are effective for plan years ending on or after Oct. 1, 2012. Fees increase to \$2 the next year and will be indexed for inflation after that. Full payment of the research fees will be **due by July 31** of each year. It will generally cover plan years that end during the preceding calendar year.



For Stand-Alone HRAs: Use your HRA Software to calculate employee counts for [Form 720](#).

9. Flexible Spending Account (FSA): New Annual Limit of \$2,500



FSA

New limits of \$2,500 for **health care FSAs** apply to plan years beginning on or after January 1, 2013.



Communicate new health care FSA annual limit to employees and confirm that all communications reflect new limit.



As needed, make sure your FSA plan documents are amended retroactively by December 31, 2014.

(Note: The limit does not apply to non-health care FSAs, such as dependent care FSAs)

10. Preventive Care Services for Women

Group

HRA

Effective for plan years beginning on or after August 1, 2012, non-grandfathered health plans must cover specific preventive care services for women without cost-sharing requirements.

See: [List of preventive care services.](#)



If you have a non-grandfathered group plan, confirm that your plan covers specified preventive care services for women without cost sharing. If not, make plan changes to ensure compliance.



If you offer a stand-alone HRA: While there has not been final rule on how this regulation affects HRAs, we recommend you do not limit this expense in any way. Review HRA plan to confirm that preventive care is an allowable HRA expense.

Compliance Issues 2014 (Start Preparing Now)**1. Waiting Periods: Max 90-Days**

Group

HRA

Effective January 1, 2014, health plans may not have a waiting period that exceeds 90 days.



If you offer a group plan: Review all enrollment waiting periods, and amend as necessary.



If you offer a stand-alone HRA: Review all plan enrollment waiting periods, and amend as necessary.

2. Annual Limits

Group

HRA

See description on page 4.



If you offer a group plan: Remove all limits on Essential Health Benefits (EHB) by first day of first plan year beginning on or after 1/1/14.



If you offer a stand-alone HRA: Confirm the plan design meets the definition of one of the five HRAs excluded from annual limit prohibitions.

3. "Play or Pay" Strategy

Group

HRA

See description on page 5.



If "Playing": Review plan(s) to confirm they satisfy minimum essential coverage rules, and confirm the plans are affordable (employee's premium portion for *self-coverage* is less than 9.5% of income).

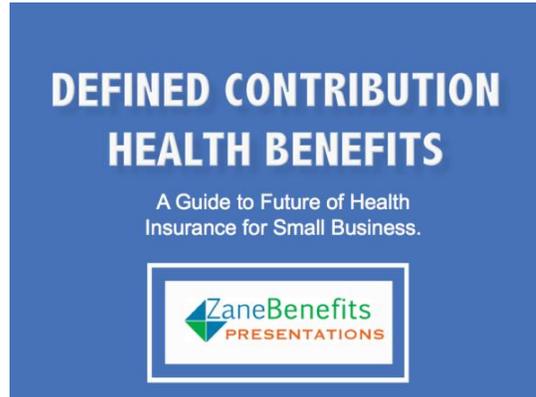
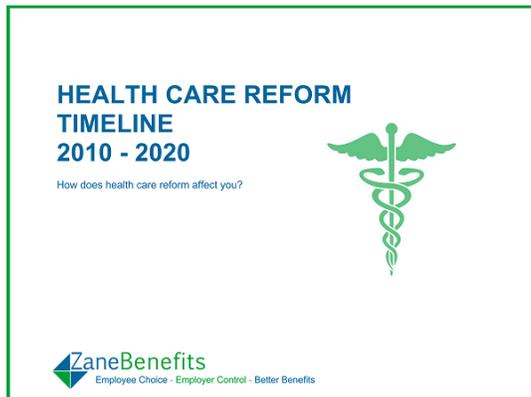
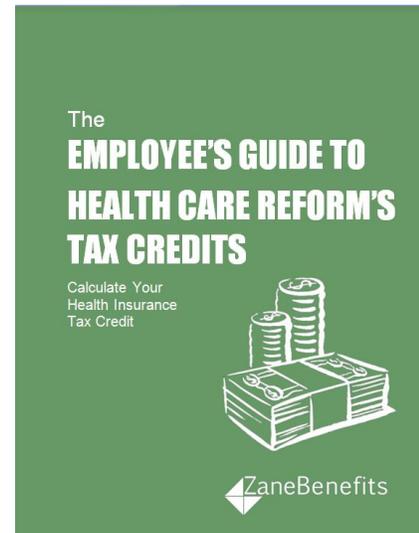
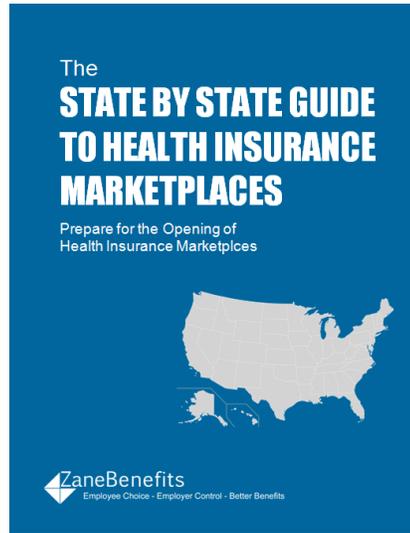
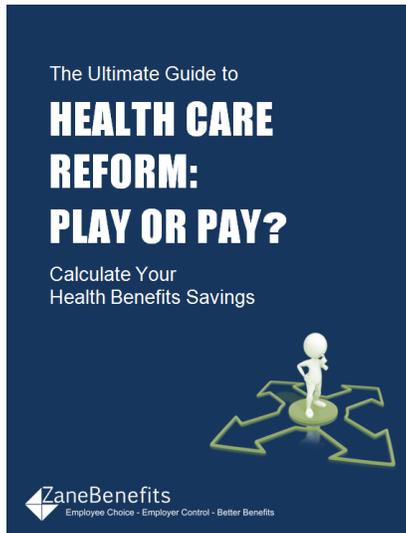


If "Paying" or "Playing Differently": Calculate applicable penalties you may be subject to.



If "Playing Differently": Use an [HRA Software](#) provider to set up a Defined Contribution Health Plan prior to 2014.

Additional Resources: Health Care Reform & Defined Contribution



View all of our free eBooks, Whitepapers and On-Demand Webinars at:
zanebenefits.com/health-benefits-resources



How can health care reform and defined contribution save you money on your employee health benefits?

Let our team of experts walk you through each step in a [free demo](#).

Or, see our real-life client [HRA case studies](#) section.

Share This Guide





Zane Benefits is the online alternative to group health insurance for small and medium-sized businesses.

The ZaneHRA Software provides a 100% paperless administration experience to employers and insurance professionals that want to offer better health benefits without a traditional group health insurance plan at lower costs. For more information about ZaneHRA, check out our [HRA Software](#).

Employers use ZaneHRA to open and manage their own stand-alone HRA or defined contribution health plan completely online, electronically enroll participants and print welcome kits, and monitor expenses and reimbursements in real-time.

Employees obtain their own individual health policies from a designated health insurance broker (see below), submit premium and medical expenses online, via fax, or mail, and receive same-day reimbursement via check, payroll addition, or direct deposit. **Zane Benefits does not sell health insurance.**

Total Benefit Solutions Inc. partner with Zane Benefits and use ZaneHRA to provide clients with a cost-saving health benefits option. ZaneHRA is distributed by leading health insurance carriers, agencies, brokers, and accountants.

For additional resources on Health Care Reform, visit

www.zanebenefits.com/blog

[f Become a Fan on Facebook](#)

[t Follow us on Twitter](#)

[in Join our Defined Contribution Group](#)

[You Tube Watch our videos on YouTube](#)



DISCLAIMER

The information provided herein by Zane Benefits is general in nature and should not be relied on for commercial decisions without conducting independent review and analysis and discussing alternatives with legal, accounting, and insurance advisors. Furthermore, health insurance regulations differ in each state; information provided does not apply to any specific U.S. state except where noted. See a licensed agent for detailed information on your state.
www.zanebenefits.com

Share This Guide

