

SIHO INSURANCE SERVICES

Health Care Reform Update



August 8, 2012

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As you know, the Patient Protection and Affordable Care Act (PPACA) was signed into law on March 23, 2010. Since that time SIHO has been sending periodic e-news regarding the provisions of the bill. In order to provide structure, the following timeline will be included with each newsletter; In addition, each newsletter will provide clear and pertinent information about a selected few topics from this timeline **and will be highlighted in red.**

Immediately

- Grandfather Status
- Small Business Health Insurance Tax Credit
- Reinsurance Program for Early Retiree Health Coverage (June 1, 2010)
- High-Risk Pool Coverage (July 1, 2010)
- Health Insurance Informational Portals (July 1, 2010)

Plan Years Starting on or after September 23, 2010

- Dependent Coverage through Age 26
- No Pre-Existing Condition Exclusions for Children
- No Lifetime Benefit Limits and "Restricted" Annual Limits
- No Rescissions (except Fraud)
- All Emergency Services Covered In-Network*
- No Cost Sharing for Specific Preventive Services*

Note: *Indicates provision does not immediately apply to Grandfathered Group Health Plans.

2011-2013

- Increased tax on HSA and MSA Withdrawals not used for Medical Expenses
- Public Long-Term Care Program
- Medical Loss Ratio (MLR) Requirements
- Comparative Effectiveness Studies Begin
- All Group Plans Must Report Benefits to HHS
- Additional Medicare Tax Levied onto High Income Individuals

2014 and Beyond

- Exchanges
- Annual Taxes on Private Health Insurers
- Monetary Penalties for any Individual Failing to Purchase Coverage
- Expanded Medicaid and Tax Credits for Low Income Individuals
- Employer Responsibility Requirements and Free Choice Vouchers
- Guarantee Issue and Guarantee Renewal
- Pre-Existing Exclusions, Annual Limits, and Lifetime Limits Eliminated
- Restricted Underwriting Factors
- Wellness Program Changes
- Excise Tax (2018)

Flexible Spending Account (FSA) Limit

The Internal Revenue Service (IRS) issued FSA guidance on the new \$2,500 limit on pretax employee contributions to health care flexible spending accounts beginning on January 1, 2013. The regulation, which only applies to salary reduction contributions, will take effect for new plan years beginning on or after January 1.

The Patient Protection and Affordable Care Act (PPACA) currently requires a doctor's prescription or a letter of medical necessity from a physician in order to use FSA money for Over-The-Counter (OTC) medications. Congress is considering legislation that would reverse the ban on OTC items including aspirin, acid reflux medication and allergy medications.

Additional information is available by clicking on the link below.

[FSA Regulation Effective January 1, 2013](#)

Women's Preventive Services

The Patient Protection and Affordable Care Act (PPACA) requires new health plans to cover women's preventive services without a cost sharing obligation to covered individuals for non-grandfathered plan years beginning on or after August 1, 2012. Additional covered services without a cost sharing obligation include well-woman visits, domestic and interpersonal violence screenings and counseling and breastfeeding support, supplies and counseling.

By providing access to eight new services on August 1 at no out-of-pocket cost, women have the opportunity to be healthier and to catch potentially serious conditions at an earlier, more treatable stage, according to Kathleen Sebelius, Department of Health and Human Services Secretary.

Click on the link below for additional information.

[Women's Preventive Services](#)
[Women's Preventive Services \(2\)](#)

Please be advised that some regulations surrounding this legislation have not yet been finalized. The advice found within this newsletter should never be interpreted as legal advice.

You are receiving this message as courtesy of the SIHO Insurance Services Communications Team. If you have questions or comments specific to newsletter distribution, please contact Debbie Holman (Debbie.Holman@siho.org). If you wish to be removed from this newsletter, please reply directly to this message asking to 'unsubscribe'

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