



November 16, 2012

www.siho.org

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.

<http://www.shrm.org/hrdisciplines/benefits/articles/pages/fsaguidance.aspx>

Summary Benefit Comparison (SBC) and Uniform Glossary

Since health insurance issuers and group health plans are required to provide an easy-to-understand summary about a health plan's benefits and coverage. The new regulation is designed to assist in better understanding and evaluation health insurance choices.

The new forms include:

- A short, plain language Summary of Benefits and Coverage, or SBC
- A uniform glossary of terms commonly used in health insurance coverage, such as "deductible" and "copayment"

All insurance companies and group health plans must use the same standard SBC form to assist in comparing health plans. The SBC form also includes details, called "coverage examples," which are comparison tools that allow an individual to see what the plan would generally cover in two common medical situations. The SBC must be provided when shopping for or enrolling in coverage or if a copy is requested from an issuer or group health plan. Also the glossary of terms must be provided from a health insurance company or group health plan.

<http://www.healthcare.gov/law/features/rights/sbc/index.html>

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'

For past issues and more on health care reform: <http://www.siho.org/en/HCR/>