


PPACA Advisor

**What Employers Need to Know Right Now
 About Health Care Reform**
Small Group (50 or Fewer Employees) Insured Plans and PPACA

PPACA brings numerous responsibilities and options to employers. Below is a summary of the PPACA provisions that apply to group health plans and whether the provision applies to insured small group plans provided inside and outside the SHOP exchange.

Provisions Effective 2013 or Later

Our access to PPACA Advisor resources can help you clear up PPACA questions and better craft your company's benefit strategy for the future.

Requirement	Applies outside the SHOP Exchange	Applies inside the SHOP Exchange	Effective Date
Modified community rating applies*	Yes	Yes	Plan year beginning on or after 1/1/2014
Essential health benefits (EHBs) must be offered*	Yes	Yes	Plan year beginning on or after 1/1/2014
Deductible generally may not exceed \$2,000/4,000*	Yes	Yes	Plan year beginning on or after 1/1/2014
Out-of-pocket may not exceed \$6,350/12,700*	Yes	Yes	Plan year beginning on or after 1/1/2014
Must meet metal levels (60%, 70%, 80%, 90%)*	Yes	Yes	Plan year beginning on or after 1/1/2014
Must offer coverage to all full-time (30 hours) employees	No	Yes	Plan year beginning on or after 1/1/2014
Guaranteed issue and renewal apply (subject to participation)*	Yes	Yes	Plan year beginning on or after 1/1/2014
Single risk pool*	Yes	Yes	Plan year beginning on or after 1/1/2014
Small business tax credit	Yes for 2013 (only available after 2013 through SHOP exchange)	Yes	Plan year beginning on or after 1/1/2014
Revised wellness program rules	Yes	Yes	Plan year beginning on or after 1/1/2014
Health insurer provider tax (indirect)	Yes (insurer will)	Yes (insurer will)	2014



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Health insurer provider tax (indirect obligation)	Yes (insurer will report and pay)	Yes (insurer will report and pay)	2014
Transitional reinsurance fee	Yes (insurer will report and pay)	Yes (insurer will report and pay)	Reporting due Nov. 2014, first fee due Jan. 2015
Penalties apply if don't offer coverage to employees who average 30 or more hours/week	No	No	2015
Penalties apply if don't offer affordable, minimum value (60%) coverage to employees	No	No	2015
Report to IRS if providing minimum essential coverage	Yes (insurer will report)	Yes (insurer will report)	2016
Report to IRS regarding affordable, minimum value coverage	No	No	2016
Cadillac tax	Yes	Yes	1/1/2018
Quality of care reporting*	Yes	Yes	TBD
Nondiscrimination (highly compensated)*	Yes	Yes	TBD
Auto-enrollment	No	No	TBD

Requirement	Applies outside the SHOP Exchange	Applies inside the SHOP Exchange	Effective Date
Health FSA limited to \$2,500	Yes	Yes	Plan year beginning on or after 1/1/2013
W-2s must include the cost of health coverage	No	No	2012 tax year (W-2s issued Jan. 2013)
PCORI fee due	Yes (insurer will report and pay on medical; employer will report and pay on any HRA)	Yes (insurer will report and pay)	7/31/2013 if plan year ended 10/1/2012 – 12/31/2012; first due 7/31/2014 if plan year ends 1/1/2013 or later
Exchange notices due	Yes	Yes	10/1/2013
Inquiries from exchanges to employers	Yes	Yes	Oct. 2013
Eligibility waiting period maximum of 90 days	Yes	Yes	Plan year beginning on or after 1/1/2014
Pre-ex not permitted on anyone	Yes	Yes	Plan year beginning on or after 1/1/2014
Annual dollar limits prohibited on essential health benefits	Yes	Yes	Plan year beginning on or after 1/1/2014
Protections for those in clinical trials*	Yes	Yes	Plan year beginning on or after 1/1/2014
Dependent to age 26 exception for grandfathered plans expires	Yes	Yes	Plan year beginning on or after 1/1/2014

Provisions Effective 2010 - 2012

Requirement	Applies	Effective Date
Lifetime dollar limits prohibited on EHBS	Yes	Plan year beginning on or after 9/23/2010
Annual dollar limits restricted on EHBS	Yes	Plan year beginning on or after 9/23/2010
Must cover dependents to age 26*	Yes	Plan year beginning on or after 9/23/2010
First dollar coverage for preventive care*	Yes	Plan year beginning on or after 9/23/2010
Pre-ex not permitted on children	Yes	Plan year beginning on or after 9/23/2010
Patient protections on choice of provider and emergency room*	Yes	Plan year beginning on or after 9/23/2010
Claims and appeals requirements*	Yes	Plan year beginning on or after 9/23/2010
Rescissions of coverage generally prohibited	Yes	Plan year beginning on or after 9/23/2010
Small employer tax credit available	Yes	2010 tax year
Restrictions on covering over-the-counter drugs	Yes	Tax year beginning on or after 1/1/2011
MLR rebates must be distributed	Yes	8/1/2012
Summaries of Benefits and Coverage (SBCs) required	Yes	First open enrollment or plan year on or after 9/23/2012

* Does not apply in whole or part to grandfathered plans; open enrollment will be available both inside and outside the exchange each Nov. 15 - Dec. 15 for employers that cannot meet participation requirements for initial issue.

Note: For 2014 and 2015, the Patient Protection and Affordable Care Act (PPACA) considers a small group one that has up to 50 employees. (In most states, part-time employees count pro rata toward full-time equivalent employees using the same method as the play or pay requirement.) Beginning in 2016, for purposes of the insurance market requirements - but not the employer shared responsibility/play or pay requirement - a small group will be defined as up to 100 employees.

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