



Small Group (50 or Fewer Employees) Insured Plans and the ACA

Updated November 2018

The Patient Protection and Affordable Care Act (ACA) brings numerous responsibilities and options to employers. Below is a summary of the ACA 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 2016 or Later

Requirement	Applies outside the SHOP Exchange	Applies inside the SHOP Exchange	Effective Date
Report to IRS and employees if providing minimum essential coverage	Yes (insurer or self-funded employer will report)	Yes (insurer or self-funded employer will report)	First report due 2/1/2016
Report to IRS and employees regarding affordable, minimum value coverage	No	No	N/A
Cadillac tax	Yes	Yes	1/1/2022
Quality of care reporting*	Yes	Yes	TBD
Nondiscrimination (highly compensated)*	Yes	Yes	TBD

Provisions Effective 2015

Requirement	Applies outside the SHOP Exchange	Applies inside the SHOP Exchange	Effective Date
Penalties apply if don't offer coverage to employees who average 30 or more hours/week	No	No	Plan year beginning on or after 1/1/2015
Penalties apply if don't offer affordable, minimum value (60%) coverage to employees	No	No	Plan year beginning on or after 1/1/2015

Provisions Effective 2010 – 2014

Requirement	Applies	Effective Date
Lifetime dollar limits prohibited on essential health benefits (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-existing condition exclusion 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
Medical loss ratio (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
Health flexible spending account (FSA) limited to \$2,500 (indexed: \$2,550 for 2015, \$2,550 for 2016, \$2,600 for 2017, \$2,650 for 2018, \$2,700 for 2019)	Yes	Plan year beginning on or after 1/1/2013
W-2s must include the cost of health coverage	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)	First due 7/31/2013 if plan year ended between 10/1/2012 and 12/31/2012 First due 7/31/2014 if plan year ends 1/1/2013 or later
Exchange notices due	Yes	10/1/2013
Inquiries from exchanges to employer	Yes	Oct. 2013

Requirement	Applies outside the SHOP Exchange	Applies inside the SHOP Exchange	Effective Date
Eligibility waiting period maximum of 90 days	Yes	Yes	Plan year beginning on or after 1/1/2014
Pre-existing condition exclusion not permitted on anyone	Yes	Yes	Plan year beginning on or after 1/1/2014
Annual dollar limits prohibited on EHBs	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

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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
EHBs must be offered*	Yes [#]	Yes	Plan year beginning on or after 1/1/2014
Out-of-pocket limit may not exceed \$6,350/\$12,700 in 2014, \$6,600/\$13,200 in 2015, \$6,650/\$13,700 in 2016, \$7,150/\$14,300 in 2017, \$7,350/\$14,700 in 2018. \$7,900/\$15,800 in 2019*	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	No -- 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 reimbursement arrangements (HRAs), except Qualified Small Employer Health Reimbursement Arrangements, must integrate with a group medical plan	Yes	Yes	Plan year beginning on or after 1/1/2014
Health FSA must qualify as an "excepted" benefit	Yes	Yes	Plan year beginning on or after 1/1/2014
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 Dec. 2014, first fee due Jan. 2015

* Does not apply in whole or part to grandfathered plans; with respect to guaranteed access, 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.

[#] States have the option to renew policies, that do not meet all of the PPACA requirements, beginning on or before Oct. 1, 2019. Such policies must not extend past Dec. 31, 2019. If renewal of "non-compliant" policies is allowed, this requirement will not apply to those renewed policies.

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