

HEALTH REFORM

Employer Action Overview

Immediate	Employer Action Required	Notes
Employers must provide a reasonable break time for employees who are nursing mothers to express breast milk for a period of one year following the birth of the child. Bathrooms are not considered an appropriate place. Employers are not required to pay employee during break unless state mandated.	Yes, employers must establish an appropriate space for nursing mothers who are non-exempt employees.	

June 30, 2010	Employer Action Required	Notes
Federal Retiree Reinsurance Program pays 80 percent of claims incurred for retirees (age 55-64) between \$15,000 and \$90,000. Payments must be used to lower costs for retirees. Applies to self-funded and insured retiree plans.	Determine eligibility for reimbursement. Submit application to HHS (available in June, 2010). Submit claims to HHS.	
National High-Risk Pool for individuals who can not obtain insurance within the past 6 months due to pre-existing conditions. This will end on January 1, 2014 once the Exchange Plans are operational and guaranteed issue provision takes effect.	No, informational only.	

BE GREATER.



HEALTH REFORM

Employer Action Overview

Sept. 23, 2010	Employer Action Required	Notes
Dependents covered up to age 26 at start of plan year.	Yes, communicate to employees during open enrollment and amend plan documents accordingly.	
No Lifetime Limits/Restrictive Annual Limits. Annual limits allowed through 2014 only for HHS-defined “non-essential” benefits. Guidance to be provided	Yes, communicate to employees during open enrollment and amend plan documents accordingly.	
No Pre-Existing Condition Limitations for children under 19 years (2014 will extend to all persons regardless of age).	Yes, communicate to employees during open enrollment and amend plan documents accordingly. Determine whether any children were previously denied for pre-existing condition.	
No rescission of coverage unless fraud or material misrepresentation.	Yes, communicate to employees during open enrollment and amend plan documents accordingly.	
Preventive care coverage with no cost sharing. Minimum coverage includes some immunizations. Does not apply to grandfathered plans.	Yes, if the plan is not grandfathered then communicate to employees during open enrollment and amend plan documents accordingly.	
Discrimination eligibility rules based on annual salary. Does not apply to grandfathered plans.	Yes, if the plan is not grandfathered, determine whether any plan’s eligibility rules have the effect of discriminating based on salary.	
Emergency services must be covered at in-network levels, regardless of provider. Does not apply to grandfathered plans.	Yes, if the plan is not grandfathered, amend plan documents and communicate to employees during open enrollment.	
New coverage appeal procedures including external review. Does not apply to grandfathered plans.	Yes, if the plan is not grandfathered, amend plan documents and communicate to employees during open enrollment, draft new policies and procedures for appeals	
Enrollees may designate any in-network MD as PCP; no referral required for OB/GYN. Does not apply to grandfathered plans.	Yes, if the plan is not grandfathered, amend plan documents and communicate to employees during open enrollment.	

BE GREATER.



HEALTH REFORM

Employer Action Overview

2010	Employer Action Required	Notes
Reporting on Medical Loss Ratio — insurance carriers are required to report the portion of premium dollars spent on “clinical services, quality and other costs.” Self-insured plans are exempt.	No, carrier will administer.	
Rate Review — process established that requires insurers to justify rate increases.	No, carrier will administer.	
Small Business Tax Credit	Yes, small employers should claim the credit starting with their 2010 annual income tax return.	

2011	Employer Action Required	Notes
Employer W2 Reporting – Include aggregate value of health coverage (except contributions to HSA and salary reduction contributions to FSA). Applies to coverage provided in 2011 for reporting in 2012.	Yes, employers in cooperation with their payroll vendor will need to quantify the value of health coverage to be included on W-2s.	
Over-the-Counter drugs no longer eligible for reimbursement under FSAs, HSAs, and HRAs without a prescription.	Yes, communicate to employees during open enrollment and amend plan documents accordingly. Work with any third party administrators to revise electronic payment cards.	
National Voluntary Long-term Care Program (CLASS Act): employees will purchase community living assistance services and supports coverage through payroll deduction.	Yes, employers that want to implement automatic enrollment and payroll deduction for this program will need to watch for additional details.	
Cafeteria Plan Safe Harbor: small employers (100 or less) will be allowed to adopt new “simple cafeteria plans.” These plans will be treated as meeting the nondiscrimination requirements.	Yes, small employer action is required if the employer would like to implement this plan design. Contact your advisor for more information.	

BE GREATER.



HEALTH REFORM

Employer Action Overview

2012	Employer Action Required	Notes
Uniform Explanation of Coverage must be provided to each enrollee and meet specified criteria, yet to be determined. There will be a fine of \$1,000 per enrollee for noncompliance.	Yes, if self-funded, the plan administrator or plan sponsor must provide Uniform Explanation of Coverage timely. If fully-insured plan, carrier will administer.	
All employers must annually submit reports to the HHS on whether or not the benefits provided meet criteria established by HHS. The report must also be provided to all plan participants during annual open enrollment.	Yes, employers will have to provide appropriate reports. Guidance forthcoming.	
Material modification notice 60 days prior to change.	Yes, employers will have to provide appropriate notice timely or risk penalty.	

2013	Employer Action Required	Notes
A tax increase of 3.8 percent for high wage earners on passive income (investment income, capital gains, rent, etc.) plus 0.9 percent increase in Medicare payroll tax on earned income. Threshold amounts are \$200,000 (AGI) for individuals and \$250,000 (AGI) for families.	Optional. Employers may want to communicate information to employees.	
FSA maximum reimbursement cap set at \$2,500 for health care FSA.	Yes, employers should communicate change to employees during open enrollment and amend plan documents accordingly.	
Elimination of employer deductible subsidy under Medicare Part D.	Yes, the expense resulting from this change must be recognized in the first quarter of 2010 even though the change in law may not be effective until 2013.	

BE GREATER.



HEALTH REFORM

Employer Action Overview

2013 (continued)	Employer Action Required	Notes
Notice to employees regarding the availability of Exchange plans (template to be provided).	Yes, employer must provide appropriate notice. Guidance forthcoming.	
New federal premium tax on group plans to fund comparative effectiveness research program. Annual tax equates to \$2 per enrollee. Applies to self-funded and fully-insured plans.	If self-funded plan, plan sponsor must pay the tax as required. If fully-insured plan, carrier will be responsible for tax.	

2014	Employer Action Required	Notes
No waiting periods longer than 90 days.	Yes, amend plan documents if existing waiting period exceeds 90 days.	
No Annual Limits on coverage	If self-funded plan, amend plan documents accordingly. Carrier will administer fully-insured plan changes.	
Employer Voucher based on income levels (less than 4x FPL) whose share of premium exceeds 8 percent, but is less than 9.8 percent of household income. Voucher is equal to the employer's largest potential contribution to employer plan. Employers providing vouchers will not be subject to penalties for employees that receive premium credits in the Exchange.	Yes, employers should calculate affordability of plan at each contribution level and family size relative to Federal Poverty Level. More guidance forthcoming on procedure for use of vouchers.	
Auto Enrollment for all full-time employees (more than 200 employees).	Yes, revise enrollment procedures if applicable.	

BE GREATER.



HEALTH REFORM

Employer Action Overview

2014 (continued)	Employer Action Required	Notes
Employer Mandate (for groups of 50+). If group has at least one full-time employee receiving a premium tax credit due to the coverage being “unaffordable” (defined as 9.5 percent of household income) or not “qualified”, employer will pay the lesser of \$3,000 per employee receiving the credit or \$2,000 for each full-time employee. Larger penalties if employer provides no coverage.	Calculate affordability of plan in light of employee compensation and adjust contribution levels as necessary. Consider long-term impact of compensation and composition of workforce (full-time vs. part-time). Draft employment policy concerning retaliation against individuals receiving premium tax credit.	
State-based Health Insurance Exchanges are available (for groups up to 100); groups over 100 will be permitted to purchase coverage in 2017 if State allows.	No, informational only	
Individual Mandate. Citizens and legal residents are required to have “minimum essential coverage.” Those without it will be taxed the greater of \$695 per year up to a maximum of \$2,085 per family or 2.5 percent of household income. Penalties will be phased in: \$95 in 2014; \$325 in 2015; \$695 in 2016, then adjusted by cost of living thereafter	No, informational only.	
Individual Subsidies. Premium credits are available to eligible individuals and families with incomes between 133 and 400 percent of FPL to purchase insurance through the Health Insurance Exchanges.	No, informational only, unless future regulations concerning employer notice about Exchanges requires otherwise.	
Guarantee issue and guarantee renewability.	Yes, communicate to employees during open enrollment and amend plan documents accordingly.	

BE GREATER.



HEALTH REFORM

Employer Action Overview

2018	Employer Action Required	Notes
<ul style="list-style-type: none"> » 40 percent Tax on Cadillac Plans imposed on insurers and administrators of self-funded plans. » Aggregate Value can not exceed \$10,200 for Single and \$27,500 for Family. » Total Aggregate Value = Reimbursement for FSA or HRA, Employer contributions to HSA and Medical Plans. <p><i>If health care costs increase more than expected, the initial threshold will automatically adjust upward.</i></p>	<p>Yes, review current plans to determine potential applicability of Cadillac tax and make adjustments to plan design as required prior to 2018. Consider compensation adjustments accordingly.</p>	

This material was created by NFP, its subsidiaries, or affiliates for distribution by their Registered Representatives, Investment Advisor Representatives, and/or Agents. This material was created to provide accurate and reliable information on the subjects covered. It is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding your individual situation. Neither NFP Securities, Inc. nor NFP Benefits offer legal or tax services.

Securities offered through Registered Representatives of NFP Securities, Inc., a Broker/Dealer and Member FINRA/SIPC. Investment Advisory Services offered through Investment Advisory Representatives of NFP Securities, Inc. a Federally Registered Investment Adviser. NFP Benefits Partners is a division of NFP Insurance Services, Inc., which is a subsidiary of National Financial Partners Corp, the parent company of NFP Securities, Inc. The firm branded on this document is an affiliate of NFP Securities, Inc. and a subsidiary of National Financial Partners Corp.

Not all of the individuals using this material are registered to offer Securities or Investment Advisory services through NFP Securities, Inc.

BE GREATER.

