



HEALTH REFORM CHECKLIST

PATIENT PROTECTION & AFFORDABLE CARE ACT

On March 23, 2010 President Obama signed into law the Patient Protection and Affordable Care Act of 2010 (PPACA), which contains a number of elements that affect small business. Some of the key provisions have already gone into effect and others are effective as of Thursday, September 23, 2010. This checklist provides a list of issues that you should discuss with your clients during renewal and new business discussions.

SMALL BUSINESS HEALTH REFORM CHECKLIST

Topic	Description	Effective Date	Done?
Small Business Health Care Tax Credit	<p>Small business health care tax credits are available now! Qualifying small business can claim them on their 2010 return. Eligibility criteria and important questions that small business owners should ask their accountants are included below.</p> <p>Caution: Be sure not to give accounting advice; simply educate your clients so that they can have an informed discussion with their accountant or senior financial staff person.</p> <p>The credit is available in two phases. In the first phase, the credit is worth up to 35% of the employer contribution and is available in tax years 2010-2013. To be eligible for the credit, a small business must:</p> <ul style="list-style-type: none"> • Cover at least 50% of the cost of health care for its workers, • Have less than 25 full-time workers (FTEs), • Pay average annual wages below \$50,000, and • Be either a taxable or tax-exempt organization <p>The wages of the owner and his/her family members who work for the business do not count in calculating the average annual wages.</p>	Tax Year 2010	<input type="checkbox"/>
Temporary High-Risk Pool Plan ("New York Bridge Plan") Open for Enrollment	<p>New York State's Pre-Existing Condition Insurance Plan (PCIP), called the NY Bridge Plan, for high-risk individuals is enrolling eligible individuals.</p> <p>To be eligible for the program, an individual must:</p> <ul style="list-style-type: none"> • Be a legal US resident, • Be a resident of New York State, • Have one or more pre-existing condition(s), and • Not have had health care coverage for the last six months <p>Make sure your clients understand that eligible employees might be able to attain coverage through this option.</p>	2010	<input type="checkbox"/>
Dependent Coverage Extended to Age 26	<p>Employers offering dependent coverage must extend the coverage offer to eligible dependents up to age 26. For plan years beginning before 2014, grandfathered plans do not have to extend coverage to adult children eligible to enroll in another employer-sponsored plan. Spouses and children of the adult child are not eligible for coverage under the parent enrollee's employer-sponsored plan.</p> <p>New rates have been adjusted to include the additional coverage! Employers offering dependent coverage should inform their employees that they can now add dependants up to 26 years of age.</p>	Plan years that begin on or after September 23, 2010	<input type="checkbox"/>
Lifetime Dollar Limits Prohibited & Annual Dollar Limits Restricted	<p>Make sure your clients understand that lifetime dollar limits have been eliminated from all new plans. Annual dollar limits on "essential health benefits" on plans with enrollment from 9/23/10 – 9/22/11 can be limited to \$750,000. In future years these limits will increase as follows:</p> <ul style="list-style-type: none"> • 09/23/11 – 09/22/12: \$1.25 million • 09/23/12 – 01/01/14: \$2.0 million <p>After 01/01/14, no annual dollar limits will be allowed.</p>	Plan years that begin on or after September 23, 2010	<input type="checkbox"/>

Restrictions on Pre-Existing Condition Exclusions	Make sure your clients understand that plans cannot impose pre-existing condition exclusions for children under 19, beginning in 2010. This will apply to all enrollees beginning in 2014.	<ul style="list-style-type: none"> Plan years that begin on or after Sept. 23, 2010 for kids. 2014 for adults. 	<input type="checkbox"/>
Prohibition on Coverage Rescissions	Make sure your clients understand that health insurers may not rescind coverage except in cases of fraud or intentional misrepresentation.	Plan years that begin on or after September 23, 2010	<input type="checkbox"/>
Physician Designations	Make sure that your clients understand that now women are allowed to designate an OB/GYN as their primary care physician (PCP) and children are allowed to designate a pediatrician as their PCP.	Plan years that begin on or after September 23, 2010	<input type="checkbox"/>
Free Preventive Services	<p>Make sure that your clients understand that certain preventive services such as colonoscopies, various cancer screenings, and immunizations are available in-network without any cost-sharing requirements.</p> <p>Caution: Make sure your clients understand that only some, and not all, preventive services are covered for free and only for individuals who fit into certain categories based on age, medical risk, or gender. The list of covered preventive services is at: http://www.healthcare.gov/center/regulations/prevention/recommendations.html</p>	Plan years that begin on or after September 23, 2010	<input type="checkbox"/>
W-2 Reporting Requirement	Make sure your clients are working with their payroll processors (or internal payroll staff) because employers are required to report the value of their health insurance coverage on each employee's Form W-2. For all intents and purposes, this is the COBRA rate. This is not an end-of-year issue; employees who are laid off, dismissed or fired can request this information before W-2's are issued at end-of-year.	Tax Year 2011	<input type="checkbox"/>
Purchase of Over-the-Counter (OTC) Drugs	<p>As of January 1, 2011, unless accompanied by a doctor's prescription, OTC medicines, except insulin, will not be considered an eligible tax-advantaged expense for an HSA, HRA, FSA, or Archer MSA.</p> <p>Make sure your clients inform their employees of this new change.</p>	2011	<input type="checkbox"/>
Penalty for Non-Qualified Distributions from an HSA or MSA	<p>As of January 1, 2011, the penalty for distributions from an HSA or MSA for non-qualified medical expenses will increase from 10% to 20%.</p> <p>Make sure your clients inform their employees of this new change.</p>	2011	<input type="checkbox"/>

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