

## Health Care Reform Timeline.... What is happening and when?

Health Care Reform has been a difficult topic to understand since its inception in 2010. There have been numerous edits, additions and challenges in the implementation of the law in the last few years. Now that we know that it is here to stay let's take a look at a few key provisions that have already been put in place and what is coming down the road.

First let's take a look at what has happened:

In **2010** the Patient Protection and Affordable Care Act (PPACA) became a law. That same year a couple new programs were launched, the national risk pool and the small business tax credit. A few key provisions that were added are the dependent child coverage was increased up to age 26 and no pre-existing condition exclusions for enrollees (under 19 years of age).

**2011** was a bit calmer as there were only a few key provisions that came into play. The first was that there were no minimum medical loss ratio requirements. It also said that insurance companies were to undergo rate review requirements.

**2012** was a big year for Health Care Reform! On June 28, 2012 the Supreme Court upheld the Health Care Law 5-4 in a victory for President Obama and ruled there were many other changes to come. One of those changes for insurance reform was that a summary of benefits and coverage or (uniform coverage document) be in place for plans. Prevention is a big part of PPACA. A new provision started on August 1, 2012 stated that insurers must cover In-Network women's preventive services without cost-share. In 2012 medical loss ratio reporting requirements changed as well. One of the last key provisions in 2012 was that states had to report their health insurance exchange plans for 2014. (**Montana did not decide to do a state based exchange**).

So far we have taken a look back on SOME of the key provisions in the PPACA that have happened to date. Now let's take a look at what is currently happening and what is coming for 2014.

The beginning of **2013** started off with a bang with new preventive provisions starting in January. In 2013 it was required that employers must report aggregate cost of employer-sponsored coverage in 2011 on their employees W-2 forms. 2013 is a big year for health plans as they must prepare to comply with *qualified* health plan requirements for the new health insurance exchanges that will begin in 2014. This year also marks changes for individuals making \$200,000 or more a year or couples making \$250,000 or more a year, who face higher Medicare payroll tax of 2.35%. A limit was put on contributions to flexible spending accounts (FSA's) to \$2,500 a year for medical expenses. One of the main requirements of law in 2013 is that open enrollment for the public health insurance exchanges begins October 1, 2013. On this exchange individuals and small businesses can buy affordable and qualified insurance benefit plans in the new marketplace ([www.healthcare.gov](http://www.healthcare.gov)).

### What is coming for 2014

Coverage mandates and subsidies are coming in 2014. Individuals are **required** to have health care coverage or they will face tax penalties. In 2014 there will be tax credits and premium subsidies available on the new public exchanges for individuals who fall below certain income thresholds or below 400% of the Federal Poverty Level (FPL) ([www.healthcare.gov](http://www.healthcare.gov)). Tax credits for small businesses are expanded as well. This year there will also be no pre-existing condition limits as well as no waiting period over 90 days. In 2014 large employers with more than 200 employees that are considered to be full time must automatically enroll new full-time employees in a coverage option. They must continue existing coverage for the current full-time employees year to year.

### **Health Insurance Exchanges and Insurance Reforms for 2014**

In 2014 state-based "public" health insurance exchanges for individuals and small groups become operational (Not in Montana). The Federally-run exchange will be available for consumers in states without a state-run exchange, including Montana. Guaranteed issue, guaranteed renewability, modified community rating and minimum benefit standards or "essential health benefits" become effective. This means ALL health plans have to meet these standards. There will also be new disclosure and transparency rules that apply, limiting rate bands for adults in a 3 to 1 ratio.

Medicaid/Medicare reforms:

Within PPACA there were incentives for states to have Medicaid and Medicare reforms but it was NOT a requirement. Medicaid reform consists of expanding to provide low-income individuals under age 65 coverage up to 133% of the FPL which is about \$28,300 for a family of four.

There are still many changes to come and several that were not listed. PPACA is a confusing law to understand. That is why Montana Chamber Choices would like to help its member's have a better understanding of the law and to be informed for what is coming in the future. Stay tuned as Montana Chamber Choices will be putting on more educational webinars to keep you up to date in the world of health care reform.

