PACIFIC GENERAL FINANCIAL

The Next Steps for Employers must take to Comply with the Act in 2012 and 2013, an employer must:	
	1. Prepare to receive and properly distribute or apply any Medical Loss Ratio Rebate associated with 2011 insured health coverage.
	2. Determine whether it must comply with the new Form W-2's reporting requirement for 2012, distributed in January 2013 and, if so, obtain coverage health coverage information (This applies if the employer filed 250 or more Form W-2s for 2011).
	3. Finalize Summary of Benefits and Coverage material for inclusion in 2013 Open Enrollment package for all enrollees.
	4. Complete updates to its Summary Plan Descriptions and plan documents to provide 2011 and 2012 changes.
	5. Prepare for the inclusion of the $2,500 cap on salary deferral contributions in its health care flexible spending account for the 2013 plan year.
	6. Determine if it is subject to the "PCOR fees," paid by July 31, 2013 for 2012.
	7. Notify its employees of the availability of health insurance exchanges by March 2013.
	8. Prepare for 0.9% Medicare payroll tax increase on high income individuals for the 2013 tax year.

Below is a re-cap of the entire PPACA timeline for Employers:

2010

New Programs:
* Temporary retiree reinsurance program is established
* National risk pool is created, small business tax credit is established
* $250 rebate for Medicare members who reach the ”doughnut hole”

Insurance Reforms:
* Prohibits lifetime benefit limits – based on dollar amounts
* Allows restricted annual limits on the dollar value of certain benefits
* Coverage rescissions/cancellations are prohibited (except for fraud or intentional misrepresentation)
* Cost-sharing obligations for preventive services are prohibited
* Dependent coverage up to age 26 is mandated
* Internal and external appeal processes must be established
* Pre-existing condition exclusions for dependent children (under 19 years of age) are prohibited
* New health plan disclosure and transparency requirements are created

2011

Insurance Reforms:
* Uniform coverage documents and standard definitions are developed
* Minimum medical loss ratios are mandated

Medicare Reforms:
* Medicare Advantage cost sharing limits effective
* Medicare beneficiaries who reach the doughnut hole will receive a 50% discount on brand name drugs
* A 10% Medicare bonus will be provided to primary care physicians and general surgeons practicing in underserved areas, such as inner cities and rural communities.
* Medicare Advantage plans would begin to have their payments frozen.

Other:
* Employers are required to report the value of health care benefits on employees' W2 tax statements.
* Annual industry fee for pharmaceutical manufacturers of brand name drugs.
* Voluntary long term care insurance program would be made available to provide cash benefit for assisting disabled individuals to stay in their homes or cover nursing home costs. Benefits would start five years after people begin paying a fee for coverage.
* Funding for community health centers would be increased to provide care for many low income and uninsured people.

2012

* Hospitals, physicians, and payers would be encouraged to band together in "accountable care organizations."
* Hospitals with high rates of preventable readmissions would face reduced Medicare payments.

2013

* Individuals making $200,000 a year or couples making $250,000 would have a higher Medicare payroll tax of 2.35% on earned income —up from the current 1.45%. A new tax of 3.8% on unearned income, such as dividends and interest, is also added.
* Medical expense contributions to flexible spending accounts (FSAs) limited to $2,500 a year—indexed for inflation. In addition, the thresholds for claiming itemized tax deduction for medical expenses rise from 7.5% to 10% of income.
* Medical device manufacturers would have a 2.9% sales tax on medical devices; devices such as eyeglasses, contact lenses, and hearing aids would be exempt.
* Eliminates deduction for expenses allocable to Medicare Part D subsidy for employers who maintain prescription drug plans for their Medicare Part D eligible retirees.

2014

Coverage Mandates & Subsidies:
* Individual and employer coverage responsibilities are effective.
* Individual affordability tax credits are created and small business tax credits are expanded.

Health Insurance Exchange & Insurance Reforms:
* State individual and small group health insurance exchanges operational.
* Guaranteed issue, guaranteed renewability, modified community rating and minimum benefit standards ("essential benefits" plan) effective.
* Lifetime and annual dollar limits are prohibited for essential benefits.
* Pre-existing condition exclusions are prohibited.

Taxes & Fees:
* Addition of new taxes on health insurers

Medicaid and Medicare Reform:
* Medicaid expanded to cover low income individuals under age 65 up to 133% of the federal poverty level—about $28,300 for a family of four.
* Minimum medical loss ratio of 85% required for Medicare Advantage plans

2018

Taxes & Fees:
* Tax ("Cadillac tax") imposed on employer sponsored health insurance plans that offer policies with generous levels of coverage.

2020

Medicare Reform:
* Doughnut hole coverage gap in Medicare prescription benefit is fully phased out. Seniors continue to pay the standard 25% of their drug costs until they reach the threshold for Medicare catastrophic coverage.