

Session

Implementing the New Health-Care Law: What Governmental Employers Need to Know

Speakers

Christopher S. Sears

Partner
Ice Miller LLP

Kathryn Bakich

Senior Vice President
The Segal Company

Debbi Davidson

Benefits and Retirement Plans Manager
Gwinnett County

- I. What is a grandfathered plan?
 - A. Plan in existence on 3-23-10
 - B. Plan will not lose grandfathered status if:
 1. Plan enrolls new employees and their families
 2. Plan enrolls family members of existing participants
 3. Plan is amended to comply with adult child coverage requirements (even if early)
 - C. Plan might lose grandfathered status if modified in any other way (awaiting guidance)
 - D. Special rules for collectively bargained insured plans
- II. Requirements for all plans for first plan year after 9-23-10
 - A. Extension of dependent coverage to age 26 unless child eligible for other non-parental employer coverage
 - B. No lifetime or annual limits
 - C. Ban on pre-existing condition exclusions for children under age 19
- III. Requirements for non-grandfathered plans for first plan year after 9-23-10
 - A. All of above in II (except no limit on adult children)
 - B. Mandated coverage for preventative health services
 - C. Mandated patient protections
 - D. Extension of nondiscrimination rules
 - E. Mandated claims appeal processes
- IV. New disclosure and reporting requirements
 - A. Cost of coverage on Form W-2 (tax year 2011)
 - B. Uniform benefit summary (2012)
 - C. Employee notice about the exchanges (2013)
- V. Changes to Flexible Spending Accounts (FSAs)/Health Reimbursement Arrangements (HRAs) /Health Savings Accounts (HSAs)
 - A. Elimination of tax-free reimbursement of over-the-counter drugs in FSAs, HRAs, and HSAs (2011)
 - B. Increase in HSA non-qualified withdrawal penalty (2011)
 - C. Limit on FSA contributions (2013)
- VI. Early retiree reinsurance program
 - A. Overview of rules
 - B. Application standards

- VII. Medicare changes
 - A. General Medicare benefit changes
 - B. Part D changes to retiree drug subsidy and prescription drug plans
 - C. Medicare Advantage plans

- VIII. Excise tax

- IX. Health insurance exchanges
 - A. Exchanges
 - B. Individual mandates
 - C. Individual subsidies

- X. Employer responsibility
 - A. Free-rider penalty
 - B. Free choice voucher

- XI. Evaluation of changes required
 - A. Coverage for young adults
 - B. Ban on lifetime limits on benefits
 - C. Regulated annual limits on benefits
 - D. Ban on annual limits on benefits
 - E. Ban on rescissions
 - F. Coverage of free preventive care

- XII. Determine what needs to be addressed this year, next year
 - A. How do requirements for existing plan fit with our philosophy of benefits delivery
 - B. How do requirements affect our bottom line

- XIII. Meet with Consultants
 - A. Verify assumptions
 - B. Determine best practices
 - C. Develop cost projections

- XIV. Systems Changes
 - A. Annual enrollment – October 2010
 - B. Configuration of the system to accommodate changes now and changes later

- XV. Develop communications plan for employees
 - A. How to explain what the new health care law requires and how it impacts our plan
 - B. What do the changes in the law mean to the employee