



FLASH UPDATE

MORE ACA DELAYS FOR INDIVIDUALS, SMALL GROUPS

The Obama administration issued two major rulings Wednesday regarding health care reform.

The first further delays many aspects of the new law directed at individuals and small employers. The Obama administration previously announced a delay but the Center for Medicare and Medicaid Services announced Wednesday an additional two-year delay with respect to the following provisions for small group plans (i.e. those with fewer than 50 employees) and individual policies:

- Relating to fair health insurance premiums.
- Relating to guaranteed availability of coverage.
- Relating to guaranteed renewability of coverage.
- Relating to the prohibition of pre-existing condition exclusions or other discrimination based on health status, with respect to adults, except with respect to group coverage.
- Relating to the prohibition of discrimination against individual participants and beneficiaries based on health status, except with respect to group coverage.
- Relating to non-discrimination in health care.
- Relating to comprehensive health insurance coverage.
- Relating to coverage for individuals participating in approved clinical trials.

The announcement states that group plans for small employers and individuals will not have to comply with these requirements until October 1, 2016. This is a link to the announcement:

<http://go.cms.gov/1ou7ODJ>

It is up to each state and insurance company whether they want to delay these requirements. Ohio did allow the earlier extension along with about half of the other states. It ultimately falls to the insurers to decide if they want to extend the policies.

Other provisions that are affected by the recent release of rules provide for:

An extra month for the 2015 open enrollment season. It will still start Nov. 15, as originally scheduled. But it will extend for an additional month, through February 15 of next year. The extra time was given to allow insurers, states and federal agencies more time to prepare. This year's open enrollment started October 1 and ends March 31.

New maximum out-of-pocket cost levels for 2015. Annual deductibles and copayments for plans sold on the insurance exchanges can't exceed \$6,600 for individuals or \$13,200 for families.

The Transitional Reinsurance Fee will be changing. The assessment for 2015 will be \$44 per enrollee (\$3.67 per member per month), according to the regulations. Revenues from the fee go to help insurers cushion the cost of covering people with serious medical problems. Under the law, insurance companies

can no longer turn the sick away. The fee is \$63 (\$5.25 PMPM) this year, and is scheduled to phase out after 2016. Some plans, including multi-employer arrangements administered by labor unions, will be exempt from fees in 2015 and 2016 but those details are a bit sketchy.

The Treasury released rules for employers and insurers on reporting information. Although officials said the reporting requirements have been streamlined, some of the early reactions in some blogs indicate that these requirements are quite complex. The Internal Revenue Service will collect the information, which it will use to help in giving tax credits for individuals and small businesses to buy coverage as well as levying fines on those who fail to comply.

Notice of a potential further delay on SHOP plans was also included. No indication was given about when a final decision will be coming on the delay or an alternative effective date for the SHOP plan.

See the following link for more details about the latest rules.

<http://go.cms.gov/1g2XgdZ>

In another major development the Treasury and IRS released the final rules governing the employer's reporting requirements under the Affordable Care Act. The Treasury Department's release says the rules have been streamlined but, based on the fact they are over 130 pages, one has to ask how streamlined the process is.

<http://1.usa.gov/1niccXD>

We will provide information in the coming weeks about these major developments.