

Healthcare Reform Update

January 27, 2014

Presented by:

Gallagher Benefit Services, Inc.





Fees & Plan Changes for 2014

- Patient Centered Outcomes Research Fee
- Transitional Reinsurance Fees due end 2014
- Health Insurer Fee(HMO Physician Service Fee)

- Plan provisions applicable in September 2014:
 - 90 day max waiting period (not 1st of month following)
 - OOP Maximum
 - Annual and Lifetime Limitation Prohibited on Essential Health Benefits
 - No pre-existing condition limitations
 - Coverage of certain treatment related to clinical trials

Out of Pocket Maximum (2014)



- Applies to ALL plans for plan years beginning on or after January 1, 2014

- The Maximum Out of Pocket (HDHP Rule):
 - \$6,350 for single coverage
 - \$12,700 for family coverage
 - Adjusted annually by the IRS

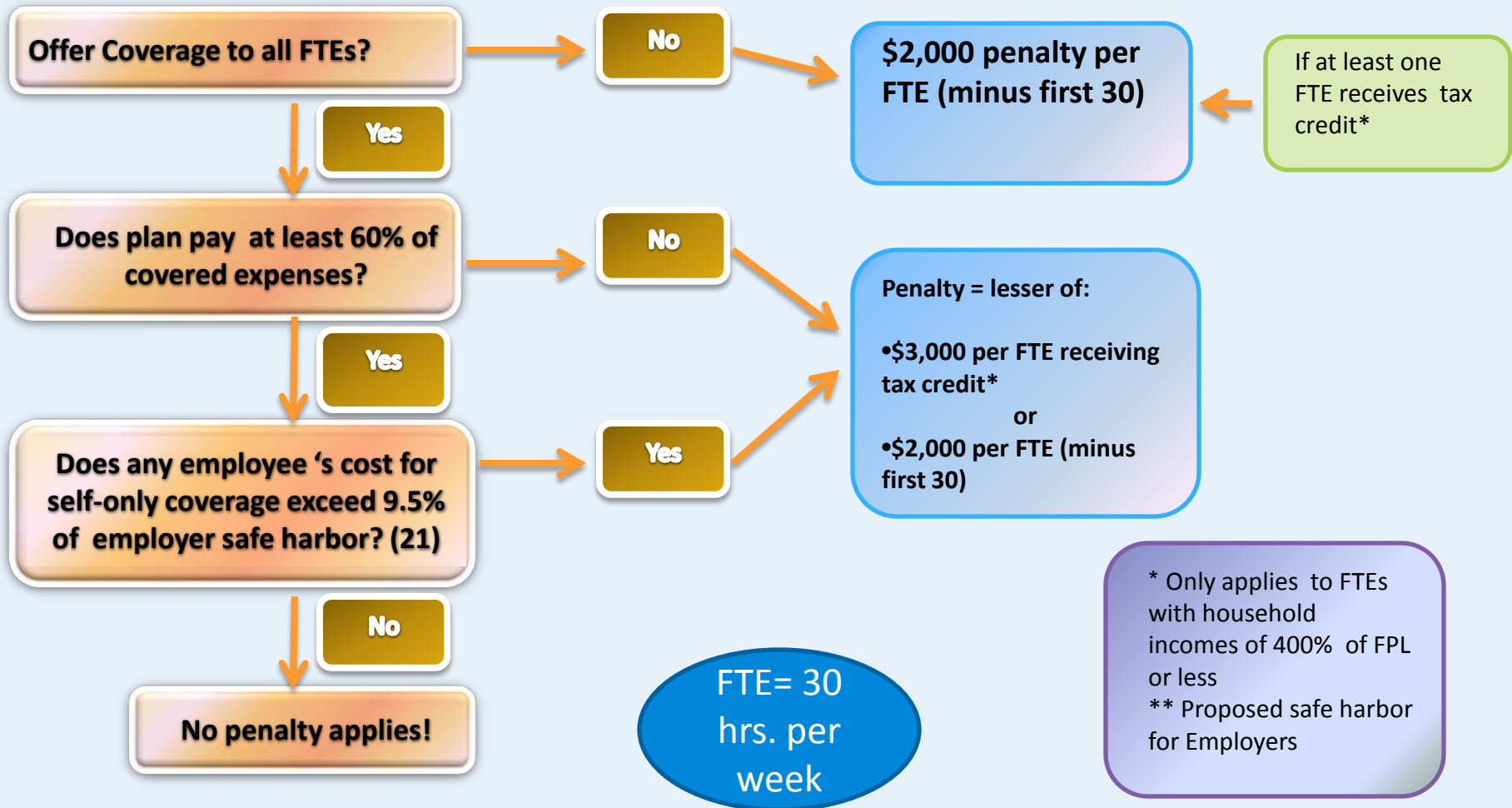
- Out of Pocket Max is defined as:
 - **Deductible**
 - Coinsurance
 - **Copays – Office visit and Emergency Room**
 - **Prescription transition until 2015**
 - Any Other Benefit Payment Obligation



Delay of employer responsibility penalty

- No employer penalty until January 1, 2015
 - Was September 1, 2014
 - No transitional relief expected beyond 1/1/15
 - Affordability/Minimum Value issues delayed until 1/1/15
 - Need to establish look-back period and track eligibility

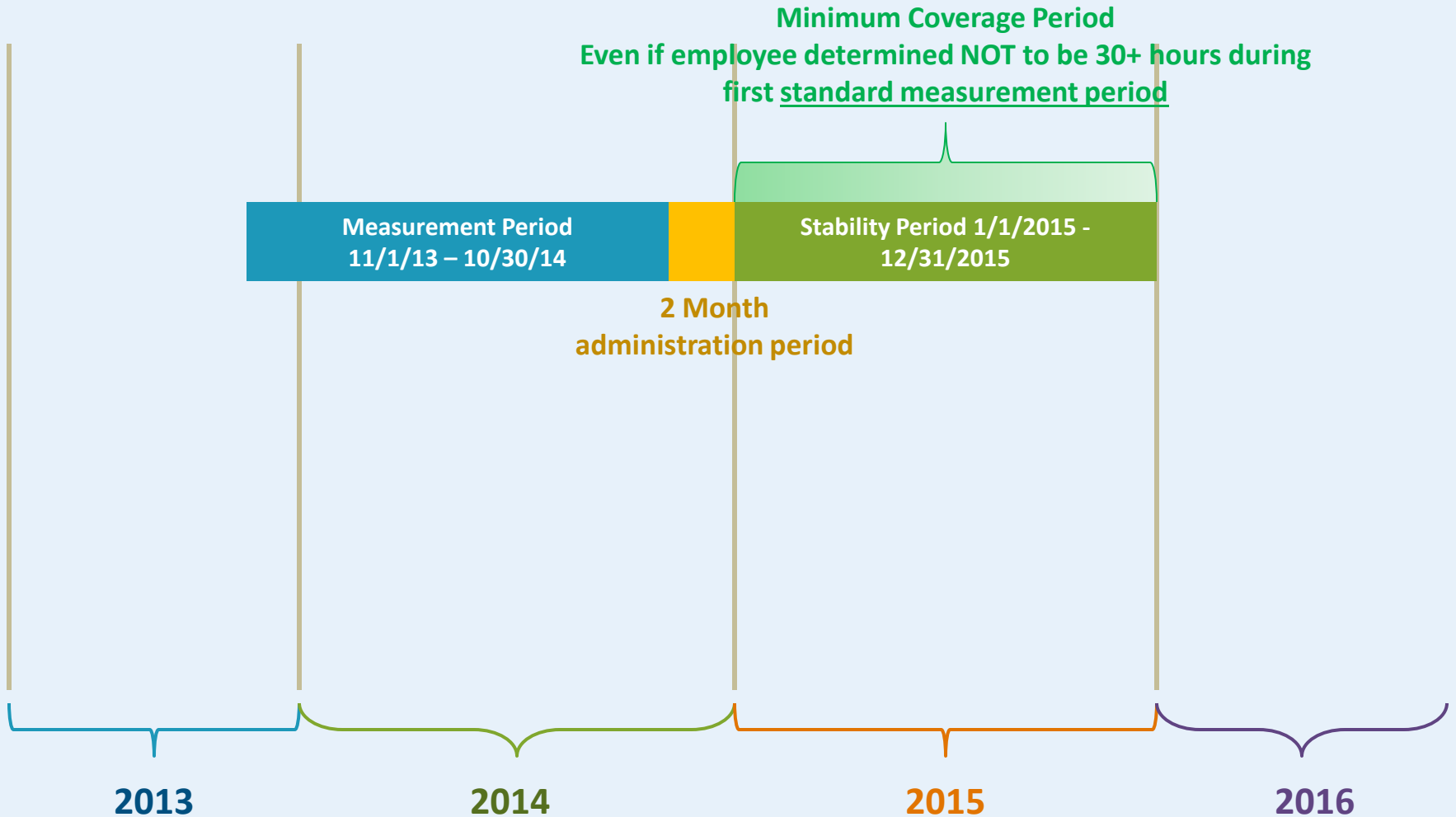
Employer Penalty Chart



Counting Hours



12-month measurement period
2 month administration period
January 1, 2015 effective date



“Cadillac” Tax – 2018



**COBRA Rate \geq \$10,200 for individual or
\$27,500 for family**

Excise Tax



**= 40% of plan value that
exceeds threshold**

Special Provisions

- High risk professions
- Early retirees
- Age & Gender



Decisions to Be Made in 2014

- Review job classifications and hours to determine areas of concern for managing hours
- Define look back periods and create policies for positions relative to hours worked
- Modification of Out of Pocket Maximum
 - Design change for 2014/2015 – OOP max includes all deductibles, copays, coinsurance, etc.

Questions?





Thank You!

The intent of this analysis is to provide you with general information regarding the provisions of the current healthcare reform legislation. It does not necessarily fully address all of your organization's specific issues. It should not be construed as, nor is it intended to provide, tax or legal advice. Questions regarding specific issues should be addressed by your organization's general counsel or an attorney who specializes in this practice area or your tax advisor.