

Health Care Reform To-Do List

Large Self-Insured Plans

Client Name:

No. of Employees:

Note: This list is for use by employers with 50 or more employees.

Plan Year:

BENEFITS REQUIREMENTS			
Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	Employer Payment Plans Prohibited. Ensure that an employer payment plan is not in place (an arrangement under which an employer reimburses an employee for some or all of the premium expenses incurred for an individual health insurance policy, or uses its funds to directly pay the premium for an individual policy).	Effective as of 2014. Employers can generally increase an employee's compensation without violating the law, so long as the payment of additional compensation is not conditioned on the purchase of health coverage and the employer does not otherwise endorse a particular policy, form, or issuer.
<input type="checkbox"/>	<input type="checkbox"/>	90-Day Waiting Periods. Ensure that any <u>waiting period</u> —the time that must pass before coverage can become effective for an employee or dependent that is otherwise eligible to enroll in the plan— does not exceed 90 days . (Other conditions for eligibility that are not based solely on the lapse of a time period are generally permissible.)	Effective as of 2014. If the plan requires completion of a reasonable and bona fide employment-based orientation period as a condition for eligibility, ensure the orientation period does not exceed one month and the maximum 90-day waiting period begins on the first day after the orientation period. Employers subject to "pay or play" may not be able to impose the full one-month orientation period and the full 90-day waiting period without potentially becoming subject to a penalty.
<input type="checkbox"/>	<input type="checkbox"/>	Annual Dollar Limits Prohibited. Confirm that no annual dollar limits apply to coverage of " <u>essential health benefits</u> ."	Effective as of 2014. If the plan limits the number of visits to health providers or days of treatment, verify that the visit or day limit does not amount to a dollar limit.
<input type="checkbox"/>	<input type="checkbox"/>	No Preexisting Condition Exclusions. Verify that preexisting condition exclusions for all individuals—regardless of age—have been eliminated.	Effective as of 2014 (the provision became effective in 2010 for children under 19 years of age). The requirement to issue certificates of creditable coverage, which could be used to reduce the preexisting condition exclusion period applied to an individual, was eliminated as of December 31, 2014.
<input type="checkbox"/>	<input type="checkbox"/>	Form W-2 Reporting of Employer-Provided Health Coverage. Continue to <u>report the cost of health coverage</u> provided to each employee annually on Form W-2, unless <u>transition relief</u> applies.	This requirement does not apply to employers required to file fewer than 250 Forms W-2 for the preceding calendar year. Forms W-2 must be furnished to employees by January 31 of each year .

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BENEFITS REQUIREMENTS (CONT'D)			
Completed	To Be Completed	Employer Action Items	Deadlines/Tips
Non-Grandfathered Plans Only			
<input type="checkbox"/>	<input type="checkbox"/>	<p>Coverage of Preventive Services. Continue to monitor guidelines for preventive services, which are regularly updated to reflect new scientific and medical advances.</p>	As new services are approved, plans will be required to cover them with no cost-sharing for plan years beginning one year later.
<input type="checkbox"/>	<input type="checkbox"/>	<p>Limits on Cost-Sharing. Ensure that annual out-of-pocket costs for coverage of all "essential health benefits" provided in-network do not exceed \$6,600 for self-only coverage or \$13,200 for other than self-only coverage.</p>	Cost-sharing limits have been in effect since 2014—these specific limits apply for plan years beginning in 2015.
NOTICES			
Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	<p>Distribute Notice of Coverage Options. Provide a written notice with information about the Health Insurance Marketplace to each new employee.</p>	<p>Must be provided to each new employee at the time of hiring, within 14 days of the employee's start date.</p> <p>A model notice is available to help employers comply with this requirement.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Determine Summary of Benefits and Coverage (SBC) Distribution Requirements. Confirm contractual arrangements with the third party administrator to prepare and provide the SBC. If the TPA did not assume responsibility, the employer should provide this notice (without charge) to employees and beneficiaries.</p>	<p>Must be provided at specified times during the enrollment process and upon a participant or beneficiary's request, generally as follows:</p> <ul style="list-style-type: none"> • Prior to initial enrollment in the plan; • Upon renewal of plan coverage; • Within 90 days of special enrollment; and • Within 7 business days following receipt of a request <p>Proposed rules have been issued to revise the templates and would place additional obligations on plans that contract with other parties to provide the SBC. The rules are generally expected to be finalized and applied in connection with coverage beginning on or after January 1, 2016.</p>

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NOTICES (CONT'D)

Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	Update SBCs. If not already done, update SBCs to include language indicating whether the plan provides " minimum essential coverage " (the type of coverage an individual needs to satisfy the ACA's individual mandate), and whether the plan meets the ACA's " minimum value " standard (meaning the plan pays for at least 60% of covered health care expenses).	An SBC template that includes the additional language is available for use. Until further guidance is issued, a plan that is unable to modify its current SBC template may continue to use the previously authorized template , so long as the SBC is furnished with a cover letter or similar disclosure stating whether the plan does or does not provide "minimum essential coverage" and "minimum value."
<input type="checkbox"/>	<input type="checkbox"/>	Distribute Notices of Modification (if applicable). Ensure that enrollees are provided with written notice of any material modification that would affect the content of the SBC (and that occurs other than in connection with coverage renewal or reissuance).	No later than 60 days prior to the effective date of the change.

FINANCIAL PROVISIONS

Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	Additional Medicare Tax. Withhold Additional Medicare Tax (0.9%) on wages or compensation paid to an employee in excess of \$200,000 in a calendar year.	The tax went into effect in 2013 and applies to certain wages, compensation, and self-employment income received in taxable years beginning after December 31, 2012.
<input type="checkbox"/>	<input type="checkbox"/>	PCORI Fees. Employers sponsoring certain self-insured health plans (including HRAs not treated as excepted benefits) are responsible for fees to fund the Patient-Centered Outcomes Research Institute (PCORI).	IRS Form 720 must be filed annually to report and pay the fees no later than July 31st of the year following the last day of the plan year to which the fee applies.
<input type="checkbox"/>	<input type="checkbox"/>	Transitional Reinsurance Program Fees. The Transitional Reinsurance Program collects contributions from employers sponsoring certain self-insured plans that provide major medical coverage. (A third party administrator or administrative-services-only contractor may be utilized for transfer of the contributions.)	The 2014 benefit year contribution could have been made in one payment (if remitted no later than Jan. 15, 2015 , reflecting \$63.00 per covered life)—or may be made in two separate payments, with the first contribution amount of \$52.50 per covered life remitted no later than Jan. 15, 2015 , and the second contribution amount of \$10.50 per covered life to be remitted no later than Nov. 15, 2015 . For 2015 and 2016, a self-insured plan that does not use a TPA to perform its claims processing, claims adjudication, and enrollment functions generally does not have to pay these fees.

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"PAY OR PLAY" & INFORMATION REPORTING REQUIREMENTS			
Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	<p>Comply with "Pay or Play" if Transition Relief Does Not Apply. Transition relief is available for large employers with: (1) 50 to 99 full-time employees (including full-time equivalents) that certify they meet certain eligibility criteria related to workforce size, maintenance of workforce and aggregate hours of service, and maintenance of previously offered health coverage; and (2) non-calendar year plans as of December 27, 2012, that were not modified thereafter to begin at a later date.</p>	<p>Eligible large employers with 50 to 99 full-time employees will not have to comply until 2016.</p> <p>Eligible large employers with non-calendar year plans will be able to begin compliance at the start of their plan years in 2015.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Determine Applicable Penalties. Large employers may be liable for a "pay or play" penalty in 2015 if they do not offer affordable coverage that provides minimum value to at least 70% of full-time employees (and their dependents, unless transition relief applies). An employer that offers coverage to at least 70% of full-time employees may nevertheless owe a penalty if any full-time employee receives a premium tax credit.</p>	<p>In determining if a penalty applies, employers should be aware of limited non-penalty periods provided for in the "pay or play" final regulations, during which an employer generally will not be subject to a penalty.</p> <p>Employers may use a number of safe harbors to determine affordability, including reliance on Form W-2 wages.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Keep Track of Required Reporting Information. As part of the information reporting requirements to report "pay or play" compliance, large employers must, for each month in 2015, identify full-time employees and determine whether such employees and their dependents (if any) were offered minimum essential coverage that meets the ACA's minimum value requirements and is affordable.</p> <p>As part of the information reporting requirements to report minimum essential health coverage, all self-insuring employers (<i>regardless of size</i>) must identify each covered individual and the months for which the individual was enrolled in coverage and entitled to receive benefits.</p>	<p>While self-insured employers providing minimum essential health coverage are subject to a separate set of information reporting requirements, employers that are subject to both reporting provisions (generally large employers subject to "pay or play" that sponsor self-insured group health plans) may satisfy their reporting obligations on a single return form (Form 1095-C, used for reporting compliance with "pay or play").</p> <p>An employer must report information for all 12 months of the calendar year for any of its employees who were full-time for one or more months of the calendar year.</p> <p>Review Forms 1094-C and 1095-C, along with their instructions, to view all required reporting information.</p>

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"PAY OR PLAY" & INFORMATION REPORTING REQUIREMENTS (CONT'D)

<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<input type="checkbox"/>	<input type="checkbox"/>	Select Reporting Method & Determine Whether a Third Party Will Fulfill Reporting Responsibilities. Determine whether you will use the general method of reporting or the simplified alternative method to satisfy reporting requirements, and whether a third party will file returns and furnish statements.	First transmittal forms and statements must be filed with the IRS no later than February 29, 2016 , or March 31, 2016 if filed electronically. Large employers that are required to file 250 or more Forms 1095-C during the calendar year must file the returns electronically . Utilizing a third-party to fulfill reporting responsibilities does not transfer a large employer's potential "pay or play" liability, nor does it transfer the potential liability for the failure to report and furnish statements.
<input type="checkbox"/>	<input type="checkbox"/>	Ensure Electronic Furnishing Requirements Are Satisfied (If Applicable). If planning to furnish statements electronically in 2016, ensure that affirmative consent is obtained from prior to furnishing, and that certain notice, hardware, and software requirements are met.	First statements must be furnished to covered individuals no later than February 1, 2016 (January 31, 2016 being a Sunday).

Plans With Tax-Favored Arrangements (Cafeteria Plans, FSAs, HRAs) ALSO MUST:

<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<input type="checkbox"/>	<input type="checkbox"/>	Cafeteria Plan Mid-Year Election Changes. If employees are allowed to make additional mid-year changes in salary reduction elections in the event of an employee's enrollment in Health Insurance Marketplace coverage and/or a reduction in an employee's hours of service, ensure appropriate plan amendments were adopted.	The amendment must be adopted on or before the last day of the plan year in which the elections are allowed, and may be effective retroactively to the first day of that plan year, provided the cafeteria plan operates in accordance with agency guidance and the employer informs participants of the amendment.
<input type="checkbox"/>	<input type="checkbox"/>	Prohibited Cafeteria Plan Benefits. Confirm that section 125 plan documents were amended to comply with the prohibition on providing a qualified health plan offered through the Individual Health Insurance Marketplace as a benefit under an employer-sponsored cafeteria plan.	Effective as of 2014.

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Plans With Tax-Favored Arrangements (Cafeteria Plans, FSAs, HRAs) ALSO MUST (CONT'D)			
Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	Analyze HRAs. Confirm that an HRA is not being used to reimburse an employee's individual policy premiums.	Effective as of 2014. Such an arrangement may be subject to a \$100/day excise tax per applicable employee.
<input type="checkbox"/>	<input type="checkbox"/>	Analyze FSAs. Confirm that a health FSA qualifies as excepted benefits to comply with the preventive services requirements.	Generally effective as of 2014. Health FSAs are considered to provide only excepted benefits if the employer also makes available group health plan coverage that is not limited to excepted benefits and the health FSA is structured so that the maximum benefit payable to any participant cannot exceed two times the participant's salary reduction election for the health FSA for the year (or, if greater, cannot exceed \$500 plus the amount of the participant's salary reduction election).
<input type="checkbox"/>	<input type="checkbox"/>	FSAs Through Cafeteria Plans. Confirm that a health FSA is offered through a cafeteria plan (a plan meeting specific requirements to allow employees to receive certain benefits on a pre-tax basis) in order to comply with the law.	Generally effective as of September 13, 2013.
<input type="checkbox"/>	<input type="checkbox"/>	FSA Contribution Limits. Ensure plan documents were amended to reflect that employee salary reduction contributions to health FSAs are limited to \$2,500 annually (as adjusted for inflation--for taxable years beginning in 2015, the annual limit increased to \$2,550).	Plan documents must have been amended by December 31, 2014 to reflect the FSA contribution limit. The amendment could have been expressed as a maximum dollar amount, a maximum percentage of compensation, or by another method of determining the maximum salary reduction contribution.
<input type="checkbox"/>	<input type="checkbox"/>	FSA Carryovers. Determine whether you will allow employees to carry over up to \$500 of unused health FSA amounts to use in the following plan year under the modified "use-or-lose" rule , and adopt appropriate plan amendments.	The amendment must be adopted on or before the last day of the plan year from which amounts may be carried over and may be effective retroactively to the first day of that plan year, provided the plan operates in accordance with agency guidance and informs participants of the carryover provision. A plan incorporating the carryover provision may not also provide for a grace period in the plan year to which unused amounts may be carried over.

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