Patient Protection and Affordable Care Act (PPACA)
Key Effective Dates

Illinois
New Mexico
Oklahoma
Texas

Date	Provisions
Date of Enactment (PPACA: 3/23/10)	**Grandfather Provision** - A grandfathered plan is a "group health plan or health insurance coverage in which an individual was enrolled on the date of enactment." Certain provisions of the Act refer specifically to grandfathered plans. Grandfathered plans are allowed to enroll family members and new employees.
90 Days Post-Enactment	**National High-Risk Pool** - The government will establish a temporary high-risk health insurance pool program to provide health insurance coverage for eligible individuals up until 1/1/2014. **Temporary Reinsurance for Early Retirees** - The government will establish a temporary reinsurance program to provide reimbursement to participating employment-based plans for a portion of the cost of providing health insurance coverage to early retirees and eligible dependents up until 1/1/2014. An early retiree means individuals who are age 55 and older, but not yet Medicare-eligible. The program will reimburse the employer plan 80% of costs for health benefits between $15,000 and $90,000. This program has been funded with $5 billion. (According to a recent government fact sheet, applications will become available in June and are to be submitted to HHS.)
Plan Years Beginning On or After 6 months Post-Enactment	**Applicable to All Plans, including Grandfathered Plans -** • No exclusion of pre-existing conditions for children under age 19 • Dependent coverage must be made available to adult children to age 26 and not eligible for other group coverage. • No lifetime maximum benefits on "essential" services • Restrictions on annual limits • Plans cannot discriminate coverage or contribution requirements for benefits based on salary, either against low salary employees or to the advantage of higher wage employees. Plans can have lower contribution requirements for lower salary employees. • Employer-sponsored plans must have an approved external review process. **Not Applicable to Grandfathered Plans -** • Must provide preventive coverage without cost-sharing • Must cover emergency services without prior authorization and at in-network benefit levels • Must allow designation of OB/GYN and Pediatrician as Primary Care Provider
1/1/10	**Part D Rebate -** Medicare Part D enrollees that reach the coverage gap in 2010 will be entitled to a $250 rebate from the government. **Small Business Tax Credits** - Available to employers with fewer than 25 FTEs (full-time equivalents), with average annual wages less than $50,000 per FTE, and pays premiums under a "qualifying" arrangement. Employers must contribute at least 50% of the premium. Credit equal to 35% of employer cost (25% for tax-exempt employers) subject to certain limitations.
7/1/10	**Internet Portal -** Requires HHS to develop an Internet consumer tool to facilitate shopping for affordable coverage by individuals and small employers.

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1/1/11	**Medical Loss Ratio Requirements** - Beginning not later than 1/1/2011, insurers required to meet loss ratios of 80% in individual and small group market, and loss ratios of 85% in large group market. Rebates are required for insurers not meeting loss ratio requirements. **Significant Tax Changes -** • Over-the-counter (OTC) drugs, other than insulin or those for which the patient has a prescription, are no longer eligible for reimbursement from an HSA, FSA, HRA or Archer MSA. • The penalty for non-qualified distributions from HSAs and Archer MSAs increases from 10% to 20%. **W-2 Reporting** - Value of "aggregate cost of applicable employer-sponsored coverage" should be included on W-2, excludes salary reduction contributions to flexible spending accounts (section 125). **Community Living Assistances Services and Supports Act (CLASS) Act** - Establishes a national voluntary insurance program for community living assistance services and supports. Enrollment is voluntary; employer participation is voluntary. Includes a five-year vesting period (benefits will not be paid out until participant has been in program for five years). Program is intended to be self-supporting.
7/1/12	**Initial Exchange Open Enrollment -** Latest date for HHS to determine the initial open enrollment period for Exchange plans.
24 Months Post-Enactment	**Summary of Coverage -** Insurers and plan sponsors of self-funded plans must provide summary of benefits to all participants and applicants, based on format determined by Secretary, using uniform definitions, and stating whether the plan provides minimum essential coverage and whether the plan ensures the plan's share of costs is at least 60% of actuarial value. (HHS to issue regulations 12 months after enactment.)
Policy or Plan Years Ending After 9/30/12	**Comparative Effectiveness Research Fees** - Annual fees of $1 per plan participant in first year, $2 per plan participant in later years. Fees are to be paid by plan sponsor.
1/1/13	**FSA Changes** - FSA contributions are limited to $2,500, and indexed to CPI for subsequent years. **Medicare Part D Retiree Drug Subsidy -** Subsidy payments made by the government to employers that provide retiree drug coverage are no longer tax deductible. **Medicare Tax Changes for High-Income Taxpayers** - Increases Medicare tax (employee portion) from 1.45% to 2.35% for wages in excess of $200,000 for individuals and $250,000 for joint filers. Employer portion (1.45%) remains the same. Adds new 3.8% tax on "net investment income" for amounts in excess of $200,000 for individuals and $250,000 for joint filers. While there are certain exclusions, the new tax does not exclude 401(k) distributions.
3/1/13	**Employer Notice Requirements** - Requires employers to provide written notice informing employees about the Exchange and potential eligibility for premium credits.

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1/1/14	**Health Insurance Exchange -** • States must establish exchanges to sell coverage to individuals and small employers. Federal government will establish exchanges where it has been determined that the state is not able to do so. • Employee (or individual) choice • Subsidies and small employer credits available only through exchange • Essential benefits package defined – equal in scope to typical employer-sponsored plan • Options limited to (value of cost sharing): o Platinum (90%) o Gold (80%) o Silver (70%) o Bronze (60%) o Catastrophic option for individuals under age 30 • Insurers can continue to sell outside of the exchanges. **Small Business Tax Credits** - Credits increase to 50% of employer cost (35% for tax exempt employers). Credit available only on plans offered through the Exchange. Credit is limited to first two years of coverage only. **Employer Provisions -** • Employer mandate - "Pay or Play" • "Play" - Employers with more than 50 full-time employees must offer minimum level of coverage o Full-time employee is 30+ hours/week o No minimum contribution o Must provide "essential" coverage with 60% actuarial value minimum • "Pay" - Employers with more than 50 full-time employees o Not offering coverage and at least one full-time employee receives a tax credit or cost-sharing subsidy through the Exchange, employer pays a penalty equal to the lesser of (a) $3,000 for each FTE receiving a tax credit, or (b) $2,000 per FTE excluding the first 30 FTEs from the calculation o Offering coverage that does not meet minimum requirements and at least one full-time employee receives a tax credit or cost-sharing subsidy through the Exchange, employer pays a penalty equal to $2,000 per FTE excluding the first 30 FTEs from the calculation o Penalties are indexed annually to per capita premium increases • In determining whether an employer has 50 full-time employees, part-time employees must be converted to FTEs (total hours/120) • Employers required to provide Free Choice Vouchers to qualified employees o "Qualified" employees have premium contributions that are between 8.0% and 9.8% of income. o Vouchers are equal to the employer contribution for the plan where the employer pays the largest portion of the premium. o Vouchers can be used to purchase coverage through the Exchange. • Employers permitted to have waiting periods up to 90 days • Employers with more than 200 full-time employees are required to automatically enroll new full-time employees into one of benefit plans offered. Employees must be given opportunity to opt out. • Employer must report on whether minimum essential coverage was offered, and specifics of plan as required by the Secretary. • Premium Variation for Participation in Employer-Sponsored Wellness Programs **-** Permits employers to vary employee contributions by as much as 30% for participation in certain health promotion and disease prevention programs

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1/1/14 (Con't)	**Insurance Reforms -** • Guaranteed issue • Guaranteed renewal • Modified community rating - Premium adjustments only for: o Age (3:1) o Family composition o Tobacco use (1.5:1) o Geography • No pre-existing condition exclusions • No annual limits on the dollar value of "essential" benefits • No eligibility waiting periods of more than 90 days for group coverage • Coverage of "essential benefits" required in individual and small-group markets **Insurer Fee**- $8 billion insurer fee
1/1/15	**Insurer Fee**- $11.3 billion insurer fee
1/31/15	**Employer Reporting of Health Insurance Coverage** - Every person who provides minimum essential coverage to an individual during a calendar year shall make a return as prescribed by guidelines.
1/1/16	**Insurance Reforms** - Requires states to include employers with up to 100 employees in their small-group markets **Insurer Fee** - $11.3 billion insurer fee
1/1/17	**Large Employers in Exchange** - States may permit large employers to purchase coverage through Exchanges. **Insurer Fee** - $13.9 billion insurer fee
1/1/18	**40% Excise Tax on High-Cost Plans -** • For plans with coverage values in excess of $10,200 (Single) and $27,500 (Family). Values include medical coverage, FSA, HRA, employer contribution to HSA; excludes dental and vision • Higher thresholds for early retirees and employees in specific high-risk professions ($11,850/$30,950) • Beginning in 2020, indexed annually with general inflation **Insurer Fee**- $14.3 billion insurer fee
1/1/19	**Insurer Fee**- Indexed from prior year's fee based on premium growth