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Dillon Health 5-Point Employer Healthcare Reform Checklist

Simplify compliance with the Dillon Health ACA checklist

Employers that offer health care coverage to employees are responsible for complying with many of the provisions of the Affordable Care Act. Dillon Health will help you comply with changes that apply to small or large employers may have different requirements. Even if employers do not offer coverage they need to comply with certain requirements of the law such as distribution of materials to employees and report submittal to federal agencies. This information is a guideline and should be reviewed on a regular as laws and regulations are constantly changing.



Task	Details	Completion Date
Employer Shared Responsibility Provisions and Penalties	<p>Employers with 50 or more full-time equivalent employees will be subject to a shared responsibility penalty of \$2000 or \$3000 per employee if the employer fails to offer affordable minimum value coverage and at least one full-time employee obtains a premium tax credit or cost-share reduction through the Health Insurance Marketplace. If an employer offers coverage, it must be offered to substantially all full-time employees and their dependents. It is important for employers to keep detailed records of compliance with the shared responsibility provision, including determination of full-time employee status and other applicable details.</p> <p>Affordable: Does not exceed 9.56 percent of employee's annual household income.</p> <p>Minimum value: Plan pays at least 60 percent of covered health expenses.</p> <p>Note: The IRS offers safe harbor provisions allowing employers to take into consideration other methods to calculate household income (e.g. W-2 income, rate of pay or federal poverty line) since employers typically do not know an employee's household income.</p> <p>Update: Starting in 2016 businesses with 50 or more full-time equivalent employees need to provide affordable, minimum value health care coverage to 70 percent of all full-time employees and their dependents, unless the employer qualifies for 2015 dependent coverage transition relief, or face a penalty.</p> <p><i>In 2016, the 70 percent threshold is increased to 95 percent, and the shared responsibility penalties will also apply to employers with 50 or more full-time equivalent employees.</i></p>	

Task	Details	Completion Date
Distribute a Summary of Benefits Coverage (SBC) to employees	An SBC must be provided to all applicants and enrollees before enrollment or re-enrollment. The SBC must provide an accurate description of the benefits and coverage under the applicable plan or coverage. This requirement applies to group health plans (both insured and self-insured) and health insurance issuers offering group or individual health insurance coverage.	
Communicate to current and future employees about health insurance marketplaces	<p>This notice was required for employers subject to the Fair Labor Standards Act (FLSA) for all current employees by Oct. 1, 2013. If your company hasn't sent it yet, now is a perfect time to comply with the requirement. Notice to new employees is also required upon hire.</p> <p>Dillon Health has created an ACA Communication Toolkit to help employers comply.</p>	
IRS reporting on Health Insurance & Employees' W-2 Forms	<p>Employers subject to shared responsibility standards and self-insured employers must report information to the IRS on the employee receiving coverage, dates of coverage, the employer paid portion of the premium, and other information the Department of Health and Human Services (HHS) may require. Statements are to be provided annually to employees by Jan. 31. The annual reporting begins in 2016 for the 2015 plan year. Fines are \$5,100 per employee with a maximum of \$1.5 million to employers.</p> <p>To show how much an employer and employee contributes toward an employee's health care coverage, employers that issued W-2s in the prior year are required to report the total aggregate cost of major medical health benefits and certain pre-tax funded supplemental health coverage provided to each employee on the employees' W-2 Forms. This information will be reported in Box 12, using Code DD. The reporting is for informational purposes only and has no tax impact to the employer at this time.</p>	

<p>Ask your benefits consultant about requirements, standards, restrictions and limits</p>	<p>If your company offers health coverage to employees, there are several benefits design requirements, including standards, restrictions and limits. Be sure to ask your benefits consultant about:</p> <ul style="list-style-type: none"> » Design requirements: Benefits plans offered in the large group market must (1) meet minimum value requirements, (2) meet affordability standards, and (3) provide certain preventive services at no cost to employees. » Out-of-pocket limits: Employee cost-share payments for in-network covered services and out-of-network emergency services cannot exceed specified out-of-pocket limits: \$6,600 for individual coverage and \$13,200 for family coverage in 2015 and increase in 2016 plan years. » Lifetime and dollar limits: Large group plans are not required to include essential health benefits, but if they do, lifetime and dollar limits are prohibited on such benefits. » Deductible limits: Look for year-to-year changes on limits » Rating restrictions: Health plans must comply with new rating Restrictions in the small group market. » Exclusions: Employees cannot be excluded based on pre-existing conditions. » Dependent coverage: Coverage must be accessible for dependent children up to age 26. » Non-discrimination requirements: Highly compensated employees cannot be offered better health insurance coverage than other employees. » Size definition change in 2016: Starting Jan. 1, 2016, employers will have to comply with federal and state laws applicable for small or large employers. » Open Enrollment: Timeframes and communication to employees are still required under the ACA. 	
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For more information

Are you ready for Healthcare Reform. Contact Dillon Health Today to make sure you are ACA Compliant.

As you continue to navigate health care reform, you can rely on Dillon Health to provide updates and helpful information at: www.DillonHealth.com.

This material is intended to provide general information about an evolving topic and does not constitute legal, tax or accounting advice regarding any specific situation. Dillon Health cannot anticipate all the facts that a particular employer or individual will have to consider in their benefits decision-making process. We strongly encourage readers to discuss their HCR situations with their advisors to determine the actions they need to take or to visit healthcare.gov (which may also be contacted at 1-800-318-2596) for additional information.

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