Timeline of Highlights for Employer Group Health Plan
Compliance with the Affordable Care Act

by Joan A. Disler, Michelle Capezza, and Gretchen Harders

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Now that the Supreme Court of the United States has upheld essentially all of the provisions of the Obama administration’s Affordable Care Act (“ACA”), employers are faced with looming deadlines to bring their group health plans into compliance with the ACA’s numerous new requirements. We have prepared for employers a timeline of the highlights of the upcoming deadlines for compliance with the ACA that apply to non-grandfathered group health plans. The timeline can be found on the next page of this Client Alert.

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Highlights of The Affordable Care Act—Timeline for Employers for Non-Grandfathered Plans (as of July 1, 2012)

**July 1, 2012**
Claims and Appeals Processes
Employer group health plans must have implemented new internal and external claims processes by July 1, 2011, and generally by Jan. 1, 2012
Self-insured group health plans must contract with at least two Independent Review Organizations (IROs) by Jan. 1, 2012, and three IROs by July 1, 2012

**Aug. 1, 2012**
Medical Loss Ratio ("MLR") Rebates (if any)
Employer insured group health plans will receive MLR rebates if insurer fails MLR testing
Group health plans receiving MLR rebates must establish procedures for compliance with ERISA plan asset rules for distribution of rebates to employers and/or plan sponsors

**Aug. 1, 2012**
Preventive Health Services for Women
Employer group health plans' requirement to provide recommended preventive health services without cost-sharing is expanded to include preventive coverage for women, including coverage for contraceptives

**Sept. 23, 2012**
Summaries of Benefits & Coverages ("SBCs")
For plan years commencing on and after Sept. 23, 2012, self-insured group health plans and insurers must provide SBCs in connection with annual enrollment for new enrollees

**Dec. 31, 2012**
Form W-2 Reporting for 2012 Tax Year
Form W-2s must include the value of group health plan benefits provided to employees. This applies to employers issuing 250 or more Form W-2s.
Deadline for issuance of 2012 Form W-2s is Jan. 31, 2013

**Jan. 1, 2013**
Flexible Spending Account ("FSA") Annual Limit
Maximum dollar limit for an employer's FSA plan is $2,500 annually

**Jan. 1, 2013**
FICA Tax Increase
FICA tax will increase by 3.8% on certain unearned income of high-income individuals above certain thresholds. Thresholds are high-income individuals earning annually $200,000; $250,000 if married filing jointly; or $125,000 if married filing separately

**Jan. 1, 2013**
Medicare Tax Increase
Medicare tax on wages will increase by 0.9% for high-income individuals
High-income individuals are those earning annually more than $200,000 individually ($250,000 if married filing jointly)

**Jan. 1, 2013**
Employee Notice of Exchange
Employers must provide a notice to employees of availability of State Health Insurance Exchanges

**Mar. 1, 2013**
Comparative Clinical Effectiveness Research Fees
For plan years ending on and after Oct. 1, 2012, and before Oct. 1, 2019, self-insured group health plans and insurers must pay fees per covered life. Initial fee is $1 per covered life, increasing to $2 per covered life for plan years ending on and after Oct. 1, 2013 (and adjusted for later plan years)
First possible payments are due July 1 or July 31, 2013 (depending on method of calculation)

**Dec. 31, 2013**
HIPAA Certification
Employer group health plans must certify on electronic transactions between providers and health plans

**Jan. 1, 2014**
Quality of Care Reporting
Employer group health plans must provide a report annually, disclosing information of plan benefits and reimbursement structures that improve health outcomes
Though deadline for issuing regulations was Mar. 23, 2012, regulations have not yet been issued and compliance is delayed until such time

**Jan. 1, 2014**
"Pay or Play"—Employer Shared Responsibility
Individual Mandate
Most individual taxpayers must have health coverage or purchase health coverage on a State Health Insurance Exchange or pay tax penalties

**Jan. 1, 2014**
Wellness Incentives
Employer plans may increase permitted wellness incentives from 20% of average costs to 30%

**Jan. 1, 2014**
Waiting Periods
Employer group health plans may not impose waiting periods longer than 90 days

**Jan. 1, 2014**
Annual Dollar Limits
Employer group health plans may not impose annual dollar limits on essential health benefits

**Jan. 1, 2014**
Preexisting Condition Exclusions
Employer group health plans may not impose preexisting condition exclusions

**Jan. 1, 2014**
Automatic Enrollment
Large employers (employers with more than 100 full-time employees) must automatically enroll new employees in employers' group health plan
Compliance is delayed until regulations are issued (expected by Jan. 1, 2014)

**Expected Jan. 1, 2014**
Nondiscrimination Rule
Insured employer group health plans may not discriminate in favor of highly compensated employees
Compliance is delayed until regulations are issued (expected by Jan. 1, 2014)

**Jan. 1, 2016**
"Cadillac Tax"
Employers will be required to pay an excise tax if coverage under their group health plan exceeds annual cost of $10,200 (single coverage) or $27,500 (family coverage), to be adjusted for inflation

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