

## **HEALTHCARE REFORM: CHANGES EMPLOYERS NEED TO KNOW**

President Obama signed the Patient Protection and Affordable Care Act (PPACA) into law on March 23 and the Health Care and Education Affordability Reconciliation Act (H.R. 4872), a package of modification to PPACA on March 30.

The amount of information about the reform bills are complex and subject to various interpretations. As a result, the full impact of the legislation is still unknown. We asked that you keep in mind that the passage of this legislation is just the beginning point, and the implementation and regulatory processes surrounding these changes will take years.

Details of the newly enacted health reform bills that will affect you within 6-12 months include:

- Coverage for adult children up to age 26 (only if the adult child is not eligible to enroll in an employer-provided plan through their own employment),
- Eliminate preexisting condition exclusions for individuals under age 19,
- Eliminate lifetime limits and no restrictive annual limits (to be determined by the HHS Secretary),
- Prohibition of waiting periods exceeding 90 days,
- A requirement that plans cover certain preventative services without cost-sharing,
- Small business Employer tax credit,
- Limits Flexible Spending Account contributions for medical expenses to \$2,500 per year
- Account-Based Plans (Health FSAs, HSAs, HRAs, and MSAs) can not provide nontaxable reimbursements of the over-the-counter medications (unless prescribed by a doctor).

**PLEASE NOTE:** The information presented was prepared as an information resource. Any omission or inclusion of incorrect date is unintentional.

### **Useful Healthcare Reform Links:**

- H.R. 3590, *Patient Protection and Affordable Care Act (PPACA)* - <http://www.gpo.gov/fdsys/pkg/BILLS-111hr3590ENR/pdf/BILLS-111hr3590ENR.pdf>
- H.R. 4872, *Health Care and Education Reconciliation Act of 2010 (The Reconciliation Act)* - <http://www.gpo.gov/fdsys/pkg/BILLS-111hr4872EH/pdf/BILLS-111hr4872EH.pdf>
- IRS Website - <http://www.irs.gov>
- Website for U.S. Department of Health and Human Services on Health Reform - <http://www.healthreform.gov/>
- Kaiser Family Foundation Resources (Implementation Timeline and Comparative Chart) - <http://www.kff.org/healthreform/8060.cfm> and <http://www.kff.org/healthreform/sidebyside.cfm>