



Legislative Alert: Health Reform Reporting Requirements

In this week's Legislative Alert, BenefitMall would like to share with you the Health Reform Reporting Requirements.

One of the major goals of the Patient Protection and Affordable Care Act (PPACA) is to insure millions of new Americans. To accomplish this goal, the government is expanding Medicaid to 133% of the federal poverty level, providing premium subsidies and tax credits to individuals up to 400% of poverty, and requiring employers with more than 50 full-time employees to provide health insurance coverage or face stiff penalties. There are also penalties for individuals who choose to remain uninsured.

To make sure people know about all of their options, determine who has the required coverage, and enforce any applicable penalties, the government will need to collect all sorts of additional information – information that your clients will be asked to provide in a number of new required reports. Here are just a few:

Summary of Coverage Requirement (2010)

Beginning with the first plan year on or after September 23, 2010, health plans must provide a new Summary of Coverage to all employees. There are very specific criteria for this new summary – it must be no more than four pages in length, can be no smaller than 12pt font, and must be written in a “culturally linguistically appropriate manner.” The summary must be distributed to employees at the time of enrollment in either a paper or electronic form, and a notice of material changes must be provided to employees at least 60 days prior to the effective date. While this requirement is effective beginning this year, required regulations have not been issued yet, and the government has 12 months to identify all of the criteria for the new Summary of Coverage.

Value of Coverage Reporting (2011)

Beginning in January of 2012, employers will be required to calculate and report the value of their employer-sponsored coverage on their employees' W-2 forms. This rule is generally effective for coverage offered beginning January 1, 2011 and includes the value of major medical coverage, executive physicals, HSA contributions, on-site medical clinics (only if they provide more than minimum care), Employee Assistance Programs, Medicare supplemental policies, and employer contributions to health care FSAs. Interestingly, health FSA salary reductions are not included in this report, even though they will be included in the “Cadillac tax” calculation beginning in 2018.

TIP: In calculating the value of benefits, both the employer and employee cost portions must be included. To make this easy, employers can use their COBRA rate calculations with little modification – simply remove the 2% administrative surcharge from the COBRA premium to determine the overall value to report to the IRS.

Exchange Related Reporting (2013)

Starting in 2013, employers must provide a new notice to employees at the time of hiring and to all of their existing employees no later than March 1, 2013. This notice will inform employees about the new health insurance exchange that will be available January 1, 2014, tell them how to qualify for a premium subsidy through the exchange, and warn them that they will lose the employer's contribution for health coverage if they enroll in a plan through the exchange and do not qualify for a “free choice voucher.”

Play or Pay Reporting (2014)

Beginning in 2014, "applicable large employers" will be required to provide a report to the Secretary of Treasury and to each full-time employee by January 31st of each year.

This report must identify the employer, include the number of full-time employees for each month during the year, and provide a certification as to whether the employer offers minimum essential coverage as defined by the statute to its full-time employees. If the employer does provide minimum essential coverage, the report must also include the length of any waiting period, the months of the year that coverage was offered, the monthly premium for the lowest cost option in each enrollment category, and the employer's share of total allowable costs of benefits. Here's where it gets tricky: if the employee contribution exceeds 8% of any employee's applicable household income, the report must also include the option for which the employer pays the largest portion of the premium along with the portion paid.

Upcoming Webinar

Want to learn more? Join us for our upcoming webinar about the new reporting requirements. We'll go into more detail about each of these reports and touch on some other reports that will be required for non-grandfathered plans and self-insured plans as well as some of the reports that insurance carriers will be required to provide. More information will be provided soon.

In order for you to conveniently share this information with your clients, please view the fillable document, [Health Reform Reporting Requirements Letter](#).

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Sincerely,



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Executive Vice President

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