



2016 Health Care Reform To-Do List

Large Fully-Insured Plans

BENEFITS REQUIREMENTS			
Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	<p>Employer Payment Plans Prohibited. Ensure that an employer payment plan is not in place (an arrangement under which an employer reimburses an employee for some or all of the premium expenses incurred for an individual health insurance policy, or uses its funds to directly pay the premium for an individual policy).</p>	<p>Effective as of 2014. Employers can generally increase an employee's compensation without violating the law, so long as the payment of additional compensation is not conditioned on the purchase of health coverage and the employer does not otherwise endorse a particular policy, form, or issuer.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>90-Day Waiting Periods. Ensure that any <u>waiting period</u>—the time that must pass before coverage can become effective for an employee or dependent that is otherwise eligible to enroll in the plan—does not exceed 90 days. (Other conditions for eligibility that are not based solely on the lapse of a time period are generally permissible.)</p>	<p>Effective as of 2014. If the plan requires completion of a reasonable and bona fide employment-based orientation period as a condition for eligibility, ensure the orientation period does not exceed one month and the maximum 90-day waiting period begins on the first day after the orientation period.</p> <p>Employers subject to "pay or play" may not be able to impose the full one-month orientation period and the full 90-day waiting period without potentially becoming subject to a penalty.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Annual Dollar Limits Prohibited. Confirm that no annual dollar limits apply to coverage of "<u>essential health benefits</u>."</p>	<p>Effective as of 2014. If the plan limits the number of visits to health providers or days of treatment, verify that the visit or day limit does not amount to a dollar limit.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>No Preexisting Condition Exclusions. Verify that no preexisting condition exclusions are imposed on any individual, regardless of age.</p>	<p>Effective as of 2014 (the provision became effective in 2010 for children under 19 years of age).</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Form W-2 Reporting of Employer-Provided Health Coverage. Continue to <u>report the cost of health coverage</u> provided to each employee annually on Form W-2, unless <u>transition relief</u> applies.</p>	<p>This requirement does not apply to employers required to file fewer than 250 Forms W-2 for the preceding calendar year.</p>



Forms W-2 must be furnished to employees by **January 31 of each year.**

BENEFITS REQUIREMENTS (CONT'D)

<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<i>Non-Grandfathered Plans Only</i>			
<input type="checkbox"/>	<input type="checkbox"/>	<p>Coverage of Preventive Services. Continue to monitor guidelines for preventive services, which are regularly updated to reflect new scientific and medical advances.</p>	<p>As new services are approved, plans will be required to cover them with no cost-sharing for plan years beginning one year later.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Limits on Cost-Sharing. Ensure that annual out-of-pocket costs for coverage of all "essential health benefits" provided in-network do not exceed \$6,850 for self-only coverage or \$13,700 for other than self-only coverage.</p>	<p>Cost-sharing limits have been in effect since 2014—these specific limits apply for plan years beginning in 2016. In addition, for plan years that begin in 2016, the self-only maximum annual limitation on cost-sharing applies to each individual, regardless of whether the individual is enrolled in self-only coverage or other coverage that is not self-only coverage under a group health plan.</p> <p>Certain businesses may be allowed to renew existing group coverage that does not comply with this requirement, through policy years beginning on or before October 1, 2016. Not all states and insurers will permit coverage to renew. Businesses that are eligible to continue existing coverage will receive a notice from their insurance companies for each policy year.</p>

NOTICES

<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Determine Summary of Benefits and Coverage (SBC) Distribution Requirements. Confirm contractual arrangements with the carrier to prepare and provide the SBC. (For SBCs with respect to coverage that begins on or after September 1, 2015, additional obligations apply to these types of arrangements, including monitoring compliance.) If the carrier does not assume responsibility, the employer should provide this notice (without</p>	<p>Must be provided at specified times during the enrollment process and upon a participant or beneficiary's request, generally as follows:</p> <ul style="list-style-type: none"> • Prior to initial enrollment in the plan; • Upon renewal of plan coverage; • Within 90 days of special enrollment; and • Within 7 business days following receipt of a request.



		charge) to employees and beneficiaries.	Proposed rules to revise the templates are expected to be finalized by January 2016, and will apply to SBCs for coverage beginning on or after January 1, 2017 . Click here for a list of all available templates and related documents.
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NOTICES (CONT'D)

Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	Update SBCs. If not already done, update SBCs to include language indicating whether the plan provides " minimum essential coverage " (the type of coverage an individual needs to satisfy the ACA's individual mandate), and whether the plan meets the ACA's " minimum value " standard (meaning the plan pays for at least 60% of covered health care expenses).	An SBC template that includes the additional language is available for use. Until further guidance is issued, a plan that is unable to modify its current SBC template may continue to use the previously authorized template , so long as the SBC is furnished with a cover letter or similar disclosure stating whether the plan does or does not provide "minimum essential coverage" and "minimum value."
<input type="checkbox"/>	<input type="checkbox"/>	Distribute Notices of Modification (If Applicable). Ensure that enrollees are provided with written notice of any material modification that would affect the content of the SBC (and that occurs other than in connection with coverage renewal or reissuance).	No later than 60 days prior to the effective date of the change.
<input type="checkbox"/>	<input type="checkbox"/>	Distribute Notice of Coverage Options. Provide a written notice with information about the Health Insurance Marketplace to each new employee.	Must be provided to each new employee at the time of hiring, within 14 days of the employee's start date. A model notice is available to help employers comply with this requirement.

"PAY OR PLAY" & INFORMATION REPORTING REQUIREMENTS

Completed	To Be Completed	Employer Action Items	Deadlines/Tips
<input type="checkbox"/>	<input type="checkbox"/>	Determine "Large Employer" Status. In general, employers with 50 or more full-time employees, including full-time equivalents (FTEs), are subject to "pay or play" in 2016 . Large employers will calculate the average number of full-time employees and FTEs across the months in the current year to determine their status for the upcoming calendar year.	Seasonal Worker Exception: An employer that exceeds 50 full-time employees, including FTEs, for 120 days or less (or 4 calendar months) during 2015 is not subject to the requirements for 2016 if the employees in excess of 50 during that period were seasonal workers.



<input type="checkbox"/>	<input type="checkbox"/>	<p>Determine When Any Applicable Transition Relief Expires. As a reminder, transition relief delayed compliance with the "pay or play" requirements until 2016 for large employers with 50 to 99 full-time employees (including FTEs) that certified that they met certain eligibility criteria related to workforce size, maintenance of workforce and aggregate hours of service, and maintenance of previously offered health coverage.</p>	<p>For employers with non-calendar year health plans, this transition relief continues to apply for any calendar month during the 2015 plan year that falls in 2016.</p>
"PAY OR PLAY" & INFORMATION REPORTING REQUIREMENTS (CONT'D)			
<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Determine Applicable Penalties. Large employers may be liable for a "pay or play" penalty in 2016 if they do not offer affordable coverage that provides minimum value to at least 95% of full-time employees (and their dependents). An employer that offers coverage to at least 95% of full-time employees may nevertheless owe a penalty if any full-time employee receives a premium tax credit.</p>	<p>In determining if a penalty applies, employers should be aware of limited non-penalty periods provided for in the "pay or play" final regulations, during which an employer generally will not be subject to a penalty.</p> <p>Employers may use a number of safe harbors to determine affordability, including reliance on Form W-2 wages.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Compile Required Information to Report "Pay or Play" Compliance. As part of the information reporting requirements, large employers must, for each month of the calendar year in 2015, identify full-time employees and determine whether such employees and their dependents (if any) were offered minimum essential coverage that meets the ACA's minimum value requirements and is affordable.</p>	<p>An employer must report information for all 12 months of the calendar year for any of its employees who were full-time for one or more months of the calendar year.</p> <p>Review Forms 1094-C and 1095-C, along with their instructions, to view all required reporting information.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Select Reporting Method & Determine Whether a Third Party Will Fulfill Reporting Responsibilities. Determine whether the employer will use the general method of reporting or the simplified alternative method to satisfy reporting requirements, and whether a third party will file returns and furnish employee statements.</p>	<p>Utilizing a third party to fulfill reporting responsibilities does not transfer a large employer's potential "pay or play" liability, nor does it transfer the potential liability for the failure to report and furnish statements.</p>



<input type="checkbox"/>	<input type="checkbox"/>	Ensure Electronic Furnishing Requirements Are Satisfied (If Applicable). If planning to furnish statements electronically in 2016, ensure that affirmative consent is obtained from employees prior to furnishing, and that certain notice, hardware, and software requirements are met.	First employee statements must be furnished to all full-time employees no later than March 31, 2016.
<input type="checkbox"/>	<input type="checkbox"/>	File Returns & Furnish Employee Statements. The first transmittal forms and employee statements must be filed with the IRS no later than May 31, 2016 (or June 30, 2016, if filed electronically).	Large employers that are required to file 250 or more Forms 1095-C during the calendar year must file the returns electronically.

FINANCIAL PROVISIONS

<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<input type="checkbox"/>	<input type="checkbox"/>	Additional Medicare Tax. Withhold Additional Medicare Tax (0.9%) on wages or compensation paid to an employee in excess of \$200,000 in a calendar year.	The tax went into effect in 2013 and applies to certain wages, compensation, and self-employment income received in taxable years beginning after December 31, 2012.
<input type="checkbox"/>	<input type="checkbox"/>	Medical Loss Ratio Rebates. Distribute any medical loss ratio rebates received from insurance companies to eligible plan enrollees as appropriate.	Rebates are due to employer-policyholders by September 30th.

Plans With Tax-Favored Arrangements (Cafeteria Plans, FSAs, HRAs) ALSO MUST

<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<input type="checkbox"/>	<input type="checkbox"/>	Cafeteria Plan Mid-Year Election Changes. If employees are allowed to make additional mid-year changes in salary reduction elections in the event of an employee's enrollment in Health Insurance Marketplace coverage and/or a reduction in an employee's hours of service, ensure appropriate plan amendments are adopted.	The amendment must be adopted on or before the last day of the plan year in which the elections are allowed, and may be effective retroactively to the first day of that plan year, provided the cafeteria plan operates in accordance with agency guidance and the employer informs participants of the amendment.
<input type="checkbox"/>	<input type="checkbox"/>	Prohibited Cafeteria Plan Benefits. Confirm that section 125 plan documents were amended to comply with the prohibition on	Effective as of 2014. This requirement does not apply to group coverage offered through the SHOP Marketplace .



		providing a qualified health plan offered through the Individual Health Insurance Marketplace as a benefit under an employer-sponsored cafeteria plan.	
<input type="checkbox"/>	<input type="checkbox"/>	PCORI Fees. Employers sponsoring certain self-insured health plans (including HRAs not treated as excepted benefits) are responsible for fees to fund the Patient-Centered Outcomes Research Institute (PCORI).	IRS Form 720 must be filed annually to report and pay the fees no later than July 31st of the year following the last day of the plan year to which the fee applies.
<input type="checkbox"/>	<input type="checkbox"/>	Analyze HRAs. Confirm that HRAs (other than retiree-only HRAs and HRAs consisting solely of excepted benefits) are " integrated " with other group health plan coverage and are not being used to reimburse an employee's individual insurance policy premiums.	Effective as of 2014. HRAs that are used to reimburse employees' individual policy premiums may be subject to a \$100/day excise tax per applicable employee (which is \$36,500 per year, per employee).

Plans With Tax-Favored Arrangements (Cafeteria Plans, FSAs, HRAs) ALSO MUST (CONT'D)

<i>Completed</i>	<i>To Be Completed</i>	<i>Employer Action Items</i>	<i>Deadlines/Tips</i>
<input type="checkbox"/>	<input type="checkbox"/>	Analyze FSAs. Confirm that a health FSA qualifies as excepted benefits to comply with the preventive services requirements.	Generally effective as of 2014. Health FSAs are considered to provide only excepted benefits if the employer also makes available group health plan coverage that is not limited to excepted benefits and the health FSA is structured so that the maximum benefit payable to any participant cannot exceed two times the participant's salary reduction election for the health FSA for the year (or, if greater, cannot exceed \$500 plus the amount of the participant's salary reduction election).
<input type="checkbox"/>	<input type="checkbox"/>	FSAs Through Cafeteria Plans. Confirm that a health FSA is offered through a cafeteria plan (a plan which meets specific requirements to allow employees to receive certain benefits on a pre-tax basis) in order to comply with the law.	Generally effective as of September 13, 2013.
<input type="checkbox"/>	<input type="checkbox"/>	FSA Contribution Limits. Ensure plan documents reflect that employee salary reduction contributions to health FSAs are limited to \$2,550 annually for tax years 2015 and 2016.	The limit may be expressed as a maximum dollar amount, a maximum percentage of compensation, or by another method of determining the maximum salary reduction contribution.



<input type="checkbox"/>	<input type="checkbox"/>	<p>FSA Carryovers. Determine whether you will allow employees to carry over up to \$500 of unused health FSA amounts to use in the following plan year under the modified "use-or-lose" rule, and adopt appropriate plan amendments.</p>	<p>The amendment must be adopted on or before the last day of the plan year from which amounts may be carried over and may be effective retroactively to the first day of that plan year, provided the plan operates in accordance with agency guidance and informs participants of the carryover provision.</p> <p>A plan incorporating the carryover provision may not also provide for a grace period in the plan year to which unused amounts may be carried over.</p>
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Written and created by: HR 360, Inc. | Last updated on December 28, 2015

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