





By September 2010¹

Change

Who is affected

Effective date

- Individuals
- Fully insured groups
- SF Self-funded groups

Business tax credits.

For businesses with 25 or fewer employees and average annual wages less than \$50,000. The tax credit will be up to 35% of the employer's contribution if the employer pays 50% of the premium cost.



Credit increases up to 50% in 2014 and only on coverage through Small Business Health Options Program (SHOP) marketplace. Expires after 2015 tax year.

Pre-existing Condition Insurance Plan (PCIP).

Temporary high-risk insurance plan for people with pre-existing conditions who have been uninsured for 6 months or more.



Launched
July 1, 2010 –
see pcip.gov

Children's pre-existing conditions.

Prohibits pre-existing condition waiting periods for children younger than 19. This does not apply to grandfathered individual plans.





BCBSND implemented June 1, 2010

Coverage for young adults.

Children may remain covered by a parent's plan until age 26.







BCBSND implemented June 1, 2010

Rescissions.

Prohibits insurers from cancelling applications and contracts retroactively unless there is evidence of fraud or intentional misrepresentation.







BCBSND implemented October 1, 2010

Preventive care with no cost sharing.

Requires specified preventive care services and immunizations set by U.S. Preventive Services Task Force and others.







BCBSND applies to all nongrandfathered plans as required

Change Who is affected Effective date 1 Individuals FII Fully insured groups SF Self-funded groups Tax changes on health savings accounts. January 1, 2011 Federal tax for those who spend HSA money on ineligible medical expenses doubles to 20%. Limits on medical flexible spending accounts. 2013 tax year Contribution will be reduced from \$6,000 to \$2,500. Itemized deductions. January 1, 2013 The threshold for deductions for out-of-pocket expenses will increase from 7.5% of adjusted gross income to 10%. Medicare taxes. January 1, 2013 Rate will increase by 0.9% for individual earnings more than \$200,000 and family income more than \$250,000. For unearned income, there will be a 3.8% Medicare tax. Individual mandate. January 1, 2014 Most people will be required to have qualified health insurance or pay a penalty. Employer requirements. Plan years Companies with 50 or more employees may be subject beginning to federal fees if any full-time employees qualify for on or after federal subsidies. January 1, 2014 Federal subsidies. January 1, 2014 Subsidies will help people who meet income qualifications pay for health insurance or reduce their cost-sharing. Health insurance exchanges. January 1, 2014 Small businesses and individuals will be able to comparison shop for health insurance.

This information reflects our best interpretation to date of health care reform legislation. Check back often for updates and revisions as more information becomes available. Also check with your benefits consultant to learn how health care reform will affect your specific situation.

¹These changes will be implemented in September 2010, or on an insurance plan's renewal date, whichever is later. Some plans will also be grandfathered, which will affect how and when some pieces of legislation are implemented.

Sources: Blue Cross and Blue Shield Association, USA Today

2011 and Beyond