

WHAT YOU NEED TO KNOW



## Large Group (50 or More Employees) Insured Plans and the ACA

Updated December 2018

The Patient Protection and Affordable Care Act (ACA) brings numerous responsibilities and options to employers. Below is a summary of the ACA provisions that apply to group health plans and whether the provision applies to insured large group plans.

### Provisions Effective 2016 or Later

Requirement	Applies to Large Group Insured Plans	Effective Date
Report to IRS and employees if provide minimum essential coverage (Form 1095-B)	Yes (insurer will report)	First report due 2/1/2016
Report to IRS and employees regarding offers of affordable, minimum value coverage to full-time employees (Form 1095-C)	Yes	First report due 2/1/2016
Cadillac tax	Yes	1/1/2022
Quality of care reporting*	Yes	TBD
Nondiscrimination (highly compensated) *	Yes	IRS is delaying enforcement until final rules are issued

### Provisions Effective 2015

Requirement	Applies to Large Group Insured Plans	Effective Date
Penalties apply if don't offer coverage to employees who average 30 or more hours/week	Yes	Plan year beginning on or after 1/1/2015+
Penalties apply if don't offer affordable, minimum value (60%) coverage to employees who average 30 or more hours per week	Yes	Plan year beginning on or after 1/1/2015+

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## Provisions Effective Starting 2010 – 2014

Requirement	Applies to Large Group Insured Plans	Effective Date
Lifetime dollar limits prohibited on essential health benefits (EHBs)	Yes	Plan year beginning on or after 9/23/2010
Annual dollar limits restricted on EHBs	Yes	Plan year beginning on or after 9/23/2010
Must cover dependents to age 26*	Yes	Plan year beginning on or after 9/23/2010
First dollar coverage for preventive care*	Yes	Plan year beginning on or after 9/23/2010
Pre-existing condition exclusion not permitted on children	Yes	Plan year beginning on or after 9/23/2010
Patient protections on choice of provider and emergency room*	Yes	Plan year beginning on or after 9/23/2010
Claims and appeals requirements*	Yes	Plan year beginning on or after 9/23/2010
Rescissions of coverage generally prohibited	Yes	Plan year beginning on or after 9/23/2010
Small employer tax credit available	No	2010 tax year
Restrictions on covering over-the-counter drugs	Yes	Tax year beginning on or after 1/1/2011
Medical loss ratio (MLR) rebates must be distributed	Yes	8/1/2012
Summaries of Benefits and Coverage (SBCs) required	Yes	First open enrollment or plan year on or after 9/23/2012
Health flexible spending arrangement (FSA) limited to \$2,500 (indexed: \$2,550 for 2015, \$2,550 for 2016, \$2,600 for 2017, \$2,650 for 2018, \$2,700 for 2019)	Yes	Plan year beginning on or after 1/1/2013
W-2s must include the cost of health coverage	Yes (only if issued 250 or more W-2s during prior calendar year)	2012 tax year (W-2s issued January 2013)
PCORI fee due	Yes (insurer will report and pay on medical; employer will report and pay on any HRA)	First due 7/31/2013 if plan year ended between 10/1/2012 and 12/31/2012 First due 7/31/2014 if plan year ends 1/1/2013 or later Last PCORI fee is due 7/31/2020 for plan years that end before 10/1/2019
Exchange notice due	Yes	10/1/2013
Inquiries from exchanges to employer	Yes	October 2013
Eligibility waiting period maximum of 90 days	Yes	Plan year beginning on or after 1/1/2014

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Requirement	Applies to Large Group Insured Plans	Effective Date
Pre-existing condition exclusion not permitted on anyone	Yes	Plan year beginning on or after 1/1/2014
Annual dollar limits prohibited on EHBs	Yes	Plan year beginning on or after 1/1/2014
Protections for those in clinical trials*	Yes	Plan year beginning on or after 1/1/2014
Dependent to age 26 exception for grandfathered plans expires	Yes	Plan year beginning on or after 1/1/2014
Modified community rating applies	No	Plan year beginning on or after 1/1/2014
EHBs must be offered	No	Plan year beginning on or after 1/1/2014
Out-of-pocket may not exceed \$6,350/\$12,700 in 2014, \$6,600/\$13,200 in 2015, \$6,650/\$13,700 in 2016, \$7,150/\$14,300 in 2017, \$7,350/\$14,700 in 2018, \$7,900/\$15,800 in 2019*	Yes	Plan year beginning on or after 1/1/2014
Must meet metal levels (60%, 70%, 80%, 90%)	No	Plan year beginning on or after 1/1/2014
Guaranteed issue and renewal apply*	Yes	Plan year beginning on or after 1/1/2014
Single risk pool	No	Plan year beginning on or after 1/1/2014
SHOP exchange available	No	Plan year beginning on or after 1/1/2014
Revised wellness program rules	Yes	Plan year beginning on or after 1/1/2014
Health reimbursement arrangements (HRAs), except Qualified Small Employer Health Reimbursement Arrangements, must integrate with a group medical plan	Yes	Plan year beginning on or after 1/1/2014
Health FSA must qualify as an "excepted" benefit	Yes	Plan year beginning on or after 1/1/2014
Health insurer provider (HIP) tax (indirect obligation)	Yes (insurer will report and pay)	2014 There was a moratorium on the HIP tax in 2017 and there will be a moratorium for the HIP tax in 2019.
Transitional reinsurance fee (TRF)	Yes (insurer will report and pay)	Reporting due Dec. 5, 2014; first fee due Jan. 15, 2015. The TRF was last required for calendar year 2016.

\* Does not apply in whole or part to grandfathered plans.

+ An employer that had a non-calendar year plan did not need to comply at the start of the 2015 plan year if it had a non-calendar year plan on Dec. 27, 2012, did not move the plan year to a later month in the year, offered affordable and minimum value coverage to most employees as of the start of the 2015 plan year, and either one quarter of its total employees or one third of its full-time employees were covered on Feb. 9, 2014, or one half of its total

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employees or one third of its full-time employees were offered coverage during the last open enrollment before Feb. 9, 2014. An employer that had a non-calendar year plan that was eligible for the 2015 transition relief was also eligible for transition relief for any calendar months in 2016 that fell within the 2015 plan year.

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