

# **BENEFIT CONSULTING GROUP**

## **NEWS BULLETIN**

### **Affordable Care Act (ACA) Review**

The following chart by Cigna outlines actions that have been taken to modify or repeal parts of the ACA or related federal provisions. The majority of the ACA, including the Employer Mandate, remains in effect.

ACTION / MODIFICATION	EFFECTIVE DATE	IMPACT / MORE INFORMATION
<b>Impacts to all markets</b>		
<b>Association Health Plans (AHPs)</b>	Staggered effective dates, beginning 9/1/18, based on type of AHP	<ul style="list-style-type: none"> <li>▶ Allows more employers to form AHPs, based on the definition of Employer and "commonality of interest" test (same trade, industry line of business or profession or same geography – even across state lines)</li> <li>▶ AHPs will no longer be subject to certain ACA rules</li> </ul>
<b>Essential Health Benefits (EHB) State Benchmark Plans</b>	Effective 1/1/20	<ul style="list-style-type: none"> <li>▶ Beginning in 2020, states have greater flexibility in selecting a benchmark plan applicable to the individual and small group insurance markets</li> </ul>
<b>Health Reimbursement Accounts (HRAs)</b> <i>No proposed rules to date, included in Oct. 12, 2017 Executive Order</i>	TBD	<ul style="list-style-type: none"> <li>▶ Administration requested agencies to consider: Making employer HRA contributions tax deductible; allowing HRA funds to be used for premium reimbursement; and allowing HRAs to be used in conjunction with non-group coverage</li> </ul>
<b>Individual Mandate repealed</b>	Effective 1/1/19	<ul style="list-style-type: none"> <li>▶ Mandate effectively repealed by zeroing out penalty, beginning in 2019</li> <li>▶ Individuals must continue to maintain insurance in 2018 or be subject to a penalty</li> </ul>
<b>Medical Device Tax suspended</b>	Suspended for 2018 and 2019	<ul style="list-style-type: none"> <li>▶ Previously suspended for 2017, this tax has no direct impact on health plans</li> </ul>
<b>Short-Term, Limited Duration Insurance (STLDI) plans</b> <i>Proposed rules</i>	TBD	<ul style="list-style-type: none"> <li>▶ Would allow STLDI plans to have a maximum coverage period of up to 12 months</li> <li>▶ Policies are not required to follow several ACA mandates</li> </ul>
<b>Impacts to the group market</b>		
<b>Americans with Disabilities Act (ADA) and Genetic Information Nondiscrimination Act (GINA) wellness incentive rules vacated</b>	Effective 1/1/19	<ul style="list-style-type: none"> <li>▶ On Dec. 20, 2017, the D.C. District Court issued an order, in the matter of AARP vs. EEOC, to vacate the EEOC's final rules on wellness incentives under the ADA and GINA, effective Jan. 1, 2019</li> <li>▶ After Jan. 1, 2019, the ACA incentive rules will be the primary requirements in effect until EEOC releases new rules</li> </ul>
<b>Cadillac Tax delayed</b>	Delayed until 1/1/22	<ul style="list-style-type: none"> <li>▶ 40% excise tax on high-cost employer plans delayed two additional years to 2022</li> <li>▶ When in effect, the tax will be indexed to the chained Consumer Price Index (CPI) instead of the regular CPI (the previous metric), which makes it likely that more employer-sponsored plans would trigger the Cadillac tax sooner</li> </ul>
<b>Contraception coverage exemption expanded</b>	TBD	<ul style="list-style-type: none"> <li>▶ Interim final rules (IFRs) issued Oct. 6, 2017 expanded exemptions for group health plan sponsors from covering contraceptive services to employers with religious or moral objections</li> <li>▶ IFRs also removed requirement for qualified employers to complete a self-certification process, which could result in consumers being liable to pay 100% of contraceptive services</li> <li>▶ On Dec. 15, 2017, a federal court temporarily blocked the IFRs and maintains the status quo and rules in place before Oct. 6, 2017 until the injunction is resolved</li> </ul>
<b>Health Insurance Industry Fee (HIIF) suspended</b>	Suspended for 2019	<ul style="list-style-type: none"> <li>▶ Previously suspended for 2017, this fee is in effect for 2018 and will be suspended again in 2019</li> <li>▶ Impacts insured health plans only</li> </ul>

The Benefit Consulting Group  
*Our Knowledge is the Difference*  
678-605-9101

As always, this material is intended for informational purposes only and is not to serve as instruction or legal counsel.