

LSG Compliance

From: LSG Compliance

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Subject: Healthcare Reform Update: What has been delayed or changed as of May 2011?



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June 8, 2011

Since the March 2010 inception of the Patient Protection and Affordable Care Act (PPACA), there have been quite a few legislative changes. Below is a brief summary of the key employer provisions that have been changed or revoked.

W-2 Reporting

- Originally required for 2011 W-2s.
- October 2010: Announced optional for 2011 reporting.
- March 2011: Announced optional for small groups (less than 250 W-2s in prior year) for 2012 reporting and it will continue to be optional for those groups until further guidance is released.

Grandfathered Plan Status

- Originally effective 3/23/10, then clarified in June 2010.
- November 2010: Amended interim final regulations related to grandfathered status. Originally, if the employer or employee organization entered into a new insurance policy, certificate or contract of insurance after March 23, 2010, the plan would cease to be a grandfathered health plan. The amendment allows group health plans to change health insurance coverage (enter into a new policy, certificate or contract of insurance) without ceasing to be a grandfathered health plan, provided the plan continues to comply fully with the other requirements of the regulations defining a grandfathered health plan. The amendment allowed the change on a prospective basis only.

Fully Insured Nondiscrimination Rules

- Originally effective 1/1/2011.
- December 2010: Announced that enforcement of the nondiscrimination rules is delayed until further guidance issued to clarify rules.

Some Internal Claims and Appeals Provisions

- Originally effective for plan years beginning after 9/23/2010 for non-grandfathered plans.
- March 2011: Enforcement of certain rules is delayed until plan years beginning on or after 1/1/2012.

ERRP (Early Retiree Reinsurance Program)

- April 2011: Will stop accepting new applications May 5. Expect to exhaust funds in 2012.

1099 Reporting

- Feb-April 2011: Bills passed by Senate and House to repeal the reporting requirement that businesses must file a Form 1099 for any payment totaling \$600 or more in a calendar year to a single payee beginning in 2012. President signed into law 4/14/11. First repeal of a piece of healthcare reform.

Free Choice Vouchers

- Originally effective 1/1/2014.
- April 2011: 2011 Budget repealed the provision. Approved by congress and signed by the President. Second repeal of a piece of healthcare reform.

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