

## 2014 Key Employer Requirements under the Affordable Care Act

**Prohibiting Discrimination Due to Pre-Existing Conditions or Gender.** The law implements strong reforms that prohibit insurance companies from refusing to sell coverage or renew policies because of an individual's pre-existing conditions. Also, in the individual and small group market, the law eliminates the ability of insurance companies to charge higher rates due to gender or health status. *Effective January 1, 2014.*

**Eliminating Annual Limits on Insurance Coverage.** The law prohibits new plans and existing group plans from imposing annual dollar limits on the amount of coverage an individual may receive. *Effective January 1, 2014.*

**Ensuring Coverage for Individuals Participating in Clinical Trials.** Insurers will be prohibited from dropping or limiting coverage because an individual chooses to participate in a clinical trial. Applies to all clinical trials that treat cancer or other life-threatening diseases. *Effective January 1, 2014.*

### **Wellness Program Incentives.**

- Formally adopt the proposed nondiscrimination rules for health-contingent wellness programs, such as giving individuals an opportunity to qualify for the reward each year and providing an alternative standard or waiver for individuals with health conditions;
- Divide health-contingent wellness programs into two categories: activity-only wellness programs and outcome-based wellness programs; and
- Increase the permissible reward for meeting a health-related standard to **30 percent** of the total cost of employee-only coverage (or **50 percent**, if the program is designed to prevent or reduce tobacco use).

The regulations apply to both grandfathered and non-grandfathered group health plans and group health insurance coverage for plan years beginning on or after Jan. 1, 2014

**Out of Pocket Cost Sharing Limits.** Places an overall limit on consumers' annual out-of-pocket costs for deductibles, co-payments, and co-insurance. The 2014 cost-sharing annual limits are \$6,350/year for individuals and \$12,700/year for families.

**90 Day Limit on Waiting Periods.** The final regulations require that no group health plan or group health insurance issuer impose a waiting period that exceeds 90 days after an employee is otherwise eligible for coverage.

**Reinsurance Fees.** Beginning in 2014 (and continuing for 2015 and 2016), employers and other sponsors of self-funded health plans, as well as insurance companies offering insured health plan products, are subject to the PPACA's transitional reinsurance fee. This fee is designed to fund reinsurance payments to health insurance issuers that cover high-risk individuals in the individual market. The transitional reinsurance payments are intended to stabilize insurance premiums in the individual market during 2014, 2015 and 2016 as consumers and insurers become more comfortable with the state health insurance exchanges. The transitional reinsurance fee applies to grandfathered and non-grandfathered health plans, as well as to retiree health coverage (unless it is secondary to Medicare or qualifies for another exception).

