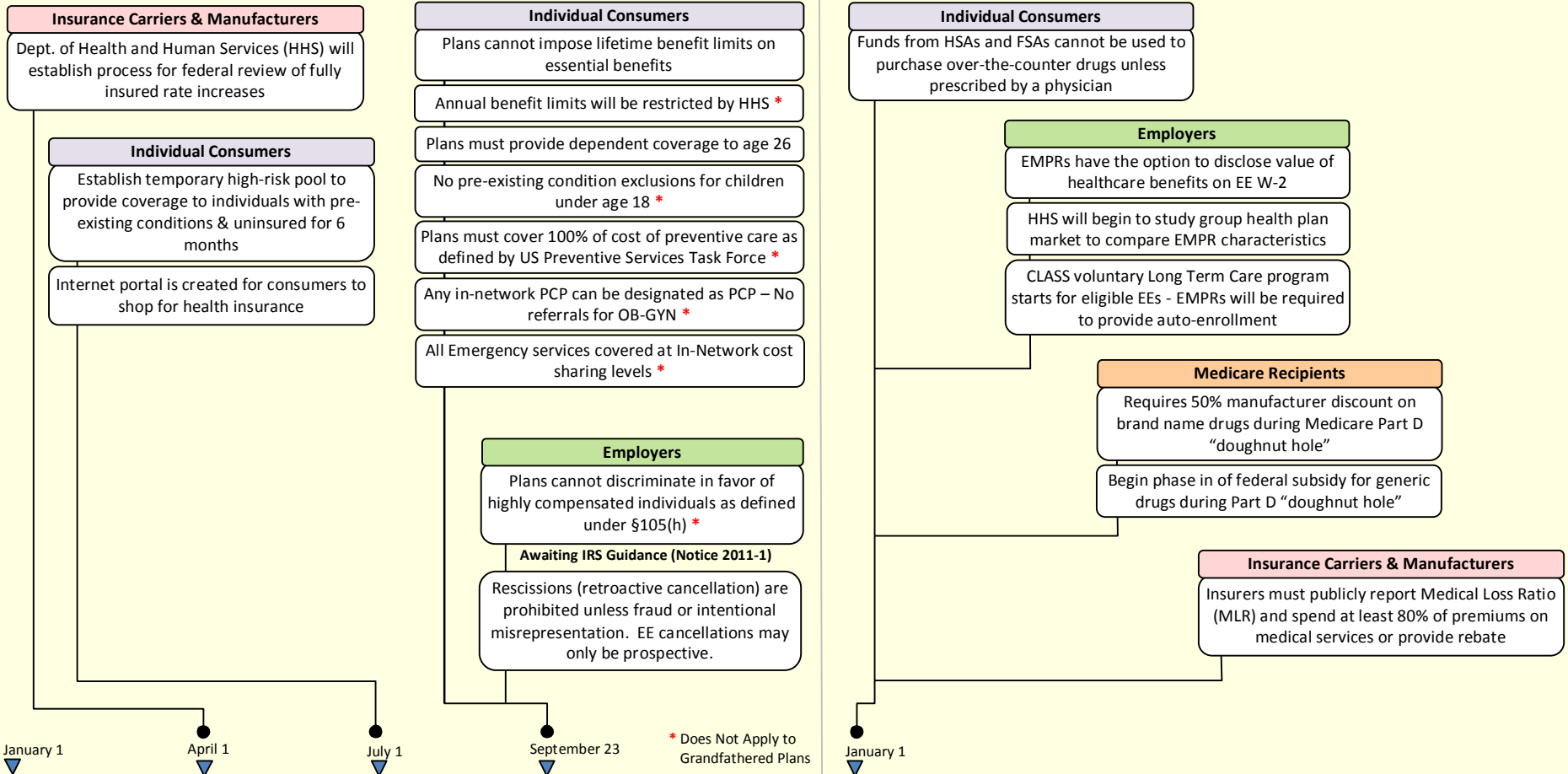


Years 2010 & 2011

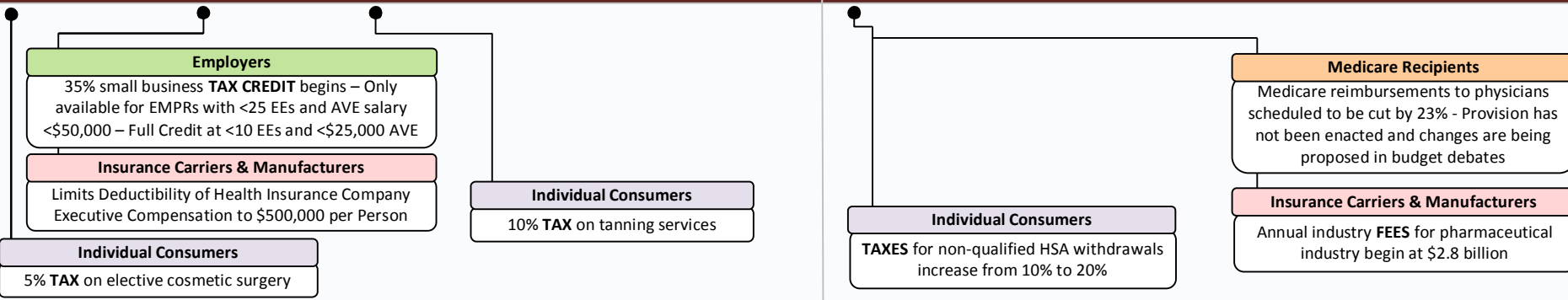
Provisions that Impact Individuals & Employers



2010

2011

Fees & Taxes

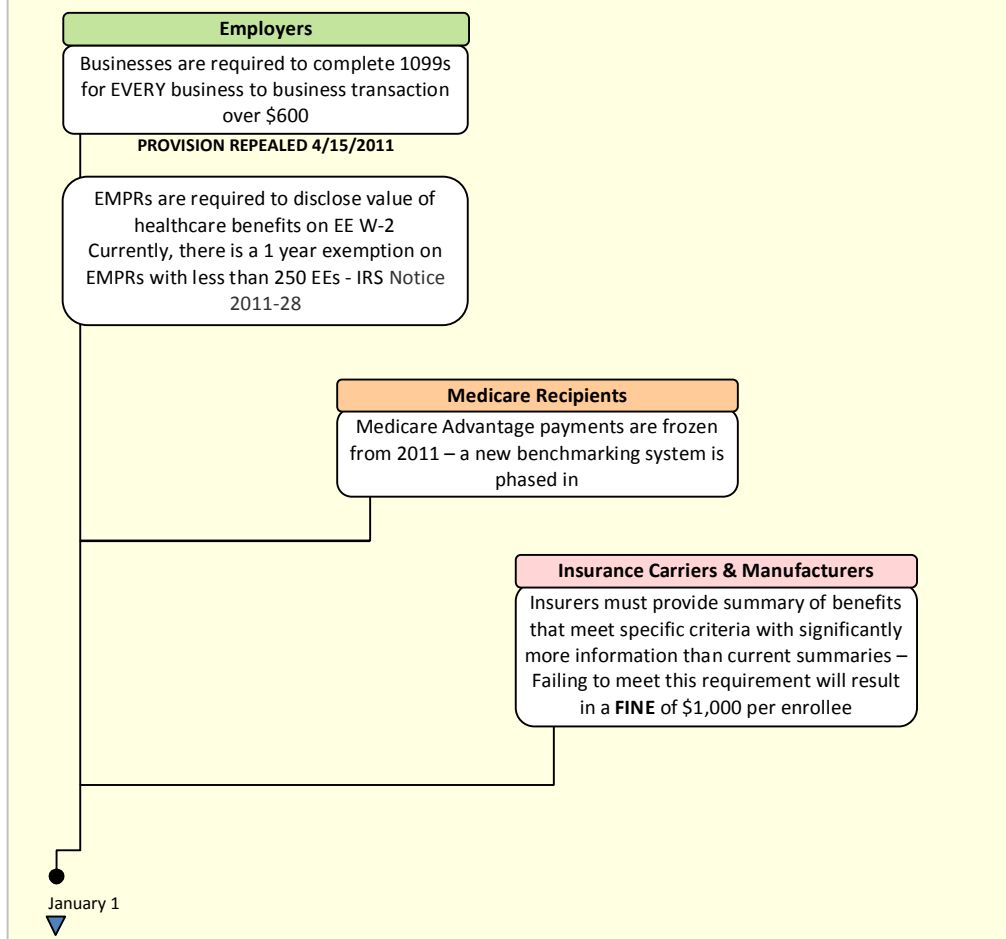


EE = Employee EMPR = Employer

Important- This document is designed to provide a general overview to our clients of the new health reform law, as we understand it, as of the date of the summary. It does not attempt to cover all of the provisions of the legislation and should not be interpreted as legal advice.

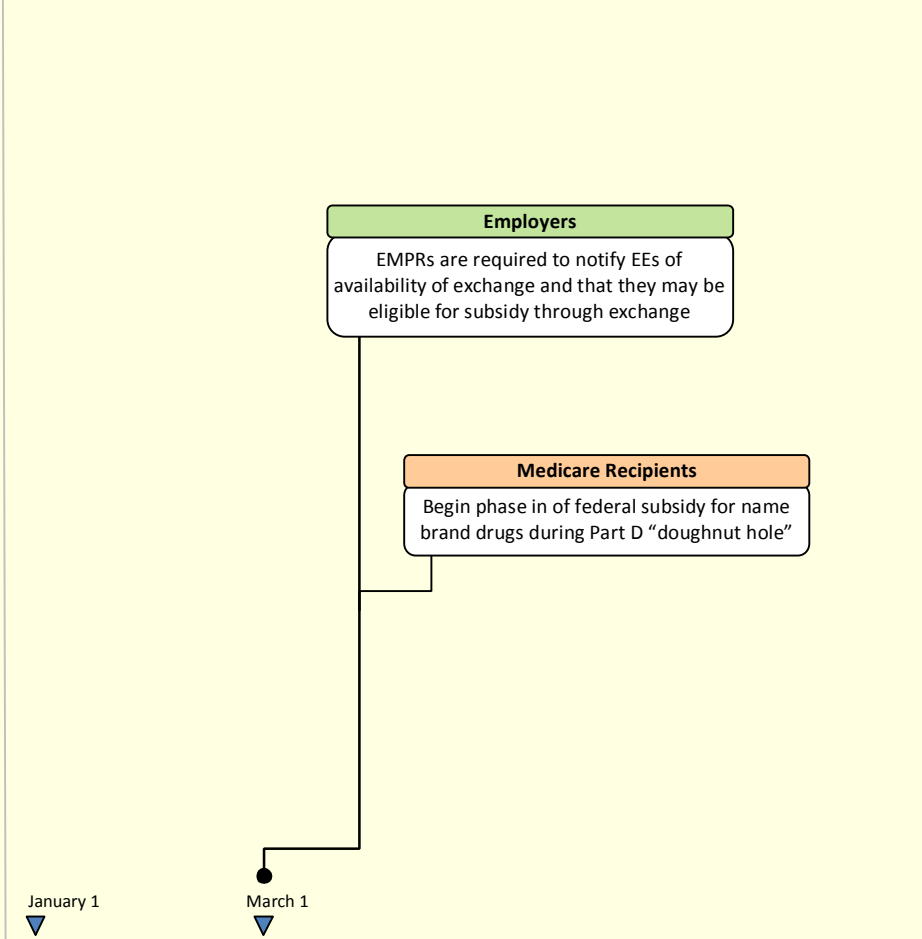
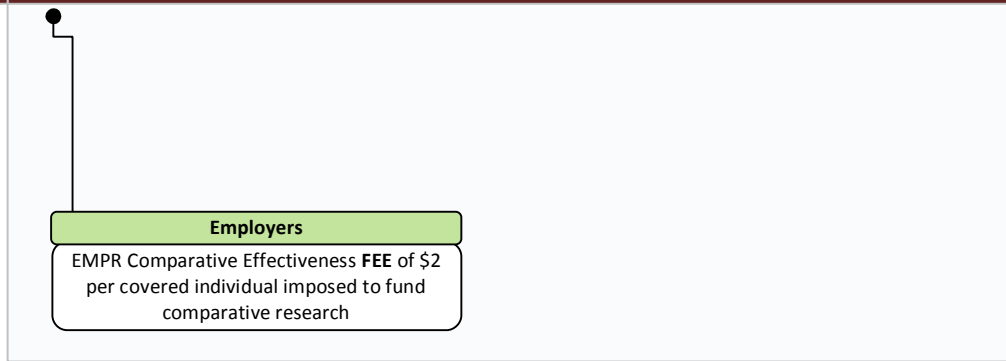
Years 2012 & 2013

Provisions that Impact Individuals & Employers

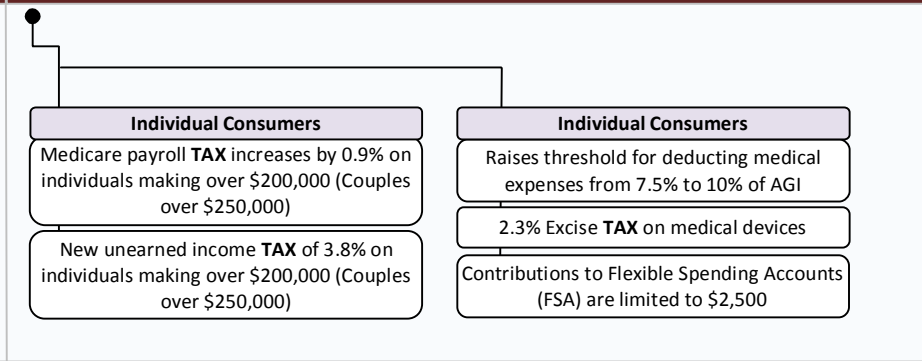


2012

Fees & Taxes



2013

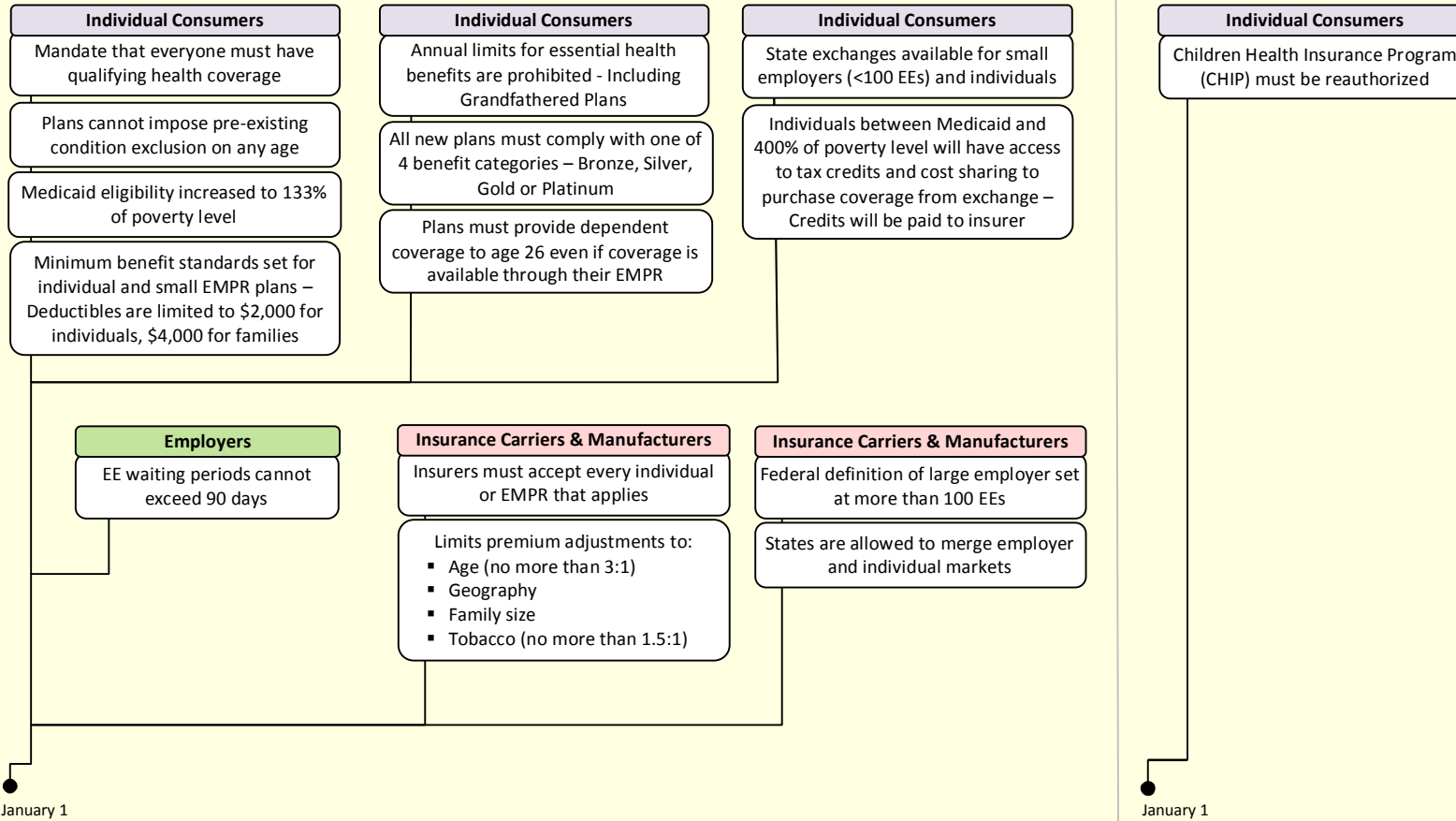


EE = Employee EMPR = Employer

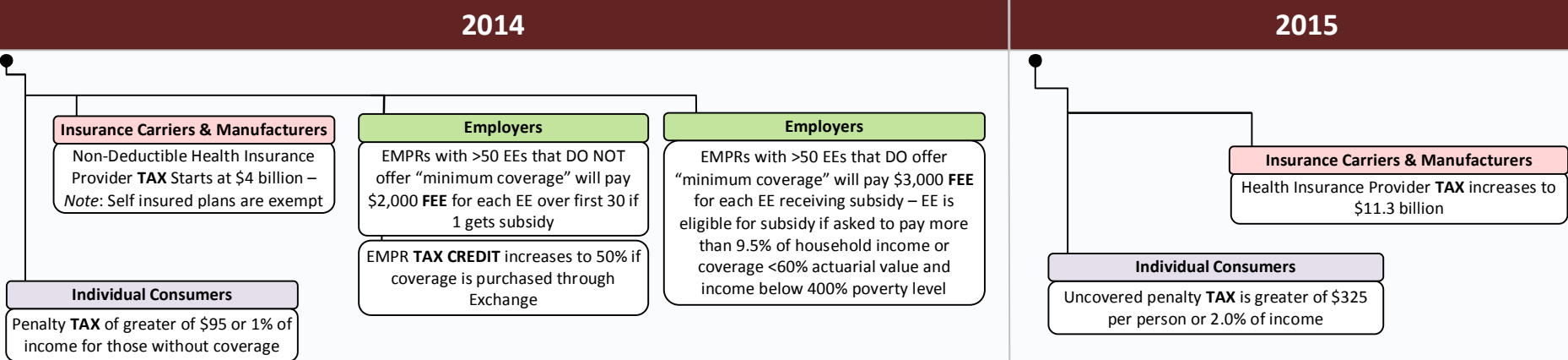
Important- This document is designed to provide a general overview to our clients of the new health reform law, as we understand it, as of the date of the summary. It does not attempt to cover all of the provisions of the legislation and should not be interpreted as legal advice.

Years 2014 & 2015

Provisions that Impact Individuals & Employers



Fees & Taxes



EE = Employee EMPR = Employer

Important- This document is designed to provide a general overview to our clients of the new health reform law, as we understand it, as of the date of the summary. It does not attempt to cover all of the provisions of the legislation and should not be interpreted as legal advice.

Years 2016 - 2020

Provisions that Impact Individuals & Employers

Insurance Carriers & Manufacturers

Qualified plans can be offered in all participating states, but insurers are still subject to state's laws

Individual Consumers

Contributions to FSA accounts are limited to \$2,500

Employers

States may allow large EMPRs to purchase coverage through exchanges

Medicare Recipients

Medicare Part D "doughnut hole" phased out completely

January 1

January 1

January 1

January 1

2016

2017

2018

2020

Fees & Taxes

Individual Consumers

Uncovered penalty **TAX** increased to greater of \$695 per person or 2.5% of income

Employers

EMPR Comparative Effectiveness **FEE** of \$1 per participant imposed to fund comparative research

Insurance Carriers & Manufacturers

Health Insurance Provider **TAX** increases to \$13.9 billion

Individual Consumers

40% Excise **TAX** on "Cadillac" plans over \$10,200 for individuals and \$27,500 for families

Insurance Carriers & Manufacturers

Health Insurance Provider **TAX** increases to \$14.3 billion

EE = Employee EMPR = Employer

Important- This document is designed to provide a general overview to our clients of the new health reform law, as we understand it, as of the date of the summary. It does not attempt to cover all of the provisions of the legislation and should not be interpreted as legal advice.

HEALTH CARE REFORM SUMMARY AND TIMELINE (AS OF APRIL 28, 2011) - ADDITIONAL DETAILS ON SELECT PROVISIONS

Patient Protection and Affordable Care Act, H.R. 3590, Passed Senate 12/24/2009; House of Representatives 3/21/2010; Signed by President Obama 3/23/2010
The Healthcare and Education Reconciliation Act, H.R. 4872, Passed Both Chambers on 3/25/2010; Signed by President Obama on 3/30/2010

This Summary Was Developed By:



These select provisions are listed due to their complexity and our perceived importance.

2010 Grandfathered Health Plans - Individuals and employer group plans that wish to keep their current plan on a grandfathered basis would only be able to do so if the only plan changes made were to add or delete new employees and any new dependents. This includes limiting changes to employer contributions to premium. In addition, an exception is made for employers that have scheduled plan changes as a result of a collective bargaining agreement. Even if a plan is grandfathered, some of the new market reform provisions will still be applicable including many that take effect within six months of the passage of the bills.

2010 Small Employer Tax Credit – This is a phased in tax credit available to employers with less than 25 employees and average annual wages less than \$50,000. Between 2010 and 2013, small employers will receive a maximum credit of up to 35% of premium for up to 2 years if the employer contributes at least 50% of the total premium cost. For tax years 2014 and later, the credit is up to 50% if the small employer buys coverage through the state Exchange.

Employers with less than 11 Employees and less than \$25,000 average salary will qualify for Full Credit; Employers with 11-25 Employees or an average salary \$25,001 - \$50,000 will qualify for Partial Credit; Employers with greater than 25 Employees or greater than \$50,000 average salary will not qualify for the Tax Credit.

Employers will not be able to use the credit for certain employees such as self-employed individuals, 2% shareholders of an S corporation, 5% owners of a small business and dependents or other household members. Employers receiving credits will be denied any deduction for health insurance costs equal to the credit.

2011 Prescription Drug Manufacturer Tax – Imposes a new annual nondeductible fee on pharmaceutical manufacturers and importers of branded prescription drugs (including certain biological products). The aggregate annual fees, based on market share, to be imposed on covered entities will be \$4.8 billion, beginning in 2011.

2014 Employer “Free Choice” Voucher Program – This provision would have required employers to provide free choice vouchers to each employee who is required to contribute between 8% and 9.8% of the employee’s household income toward the cost of coverage, if such employee’s household income is less than 400% of Federal Poverty Level and the employee does not enroll in a health plan sponsored by the employer. The amount of the voucher must be equal to the amount the employer would have provided toward such employee’s coverage. **THIS PROVISION WAS REPEALED ON APRIL 15, 2011 BY H.R.1473.**

2018 New “Cadillac” Plan Tax - The 40% excise tax on employer-sponsored health plans with aggregate values that exceed \$10,200 for individual coverage and \$27,500 for family coverage. There are higher thresholds for retirees over age 55 and employees in certain high risk professions. Transition relief would be provided for 17 identified high-cost states. The tax would be indexed annually for inflation based on the consumer price index, but would also allow plans to take into account age, gender and other factors that impact premium costs. The tax is equal to 40% of the value of the plan that exceeds the threshold amount and is imposed on the issuer of the policy. The CBO estimates that this tax will raise \$32 billion over 10 years. These values are required to be disclosed on employee W-2s beginning in tax year 2011.

Value of health plans would include reimbursements from FSAs, HRAs and employer contributions to HSAs, as well as other supplementary health insurance coverage. Stand-alone dental and vision plans would be excluded from the calculation. The excise tax will not apply to accident, disability, long-term care and after-tax indemnity or specified disease coverage.

Important- This document is designed to provide a general overview to our clients of the new health reform law, as we understand it, as of the date of the summary. It focuses primarily on the provisions that directly affect individuals and employers. It does not attempt to cover all of the provisions of the legislation and should not be interpreted as legal advice.