
Patient Protection and Affordable Care Act

Summary of current requirements

Effective for Plan Years beginning on or after 9/23/10.

1. No annual or lifetime maximums
(may be able to have other limitation – limits on days of treatment or visits).
2. Dependent children to be covered up to age 26 (no fulltime student provision).
3. No pre-existing for children under 19.
4. First dollar coverage without any cost sharing for Preventive services.
5. Uniform notice of coverage requirements (SPD).

Effective in 2010:

Annual tanning tax- 10% tax on indoor tanning services (\$2.7 B)

Effective in 2011:

Annual pharmaceutical industry fee: Begins at \$2.5 billion per year (\$28 B)

Effective in 2012:

Annual medical device manufacturer fee: Excise tax of 2.3% on the sale of any taxable medical device (\$20 B)

Effective in 2013:

Annual Medicare tax on high earners, and unearned income: 0.9% increase in payroll tax. Unearned income tax of 3.8% (\$210.2 B)

Effective in 2014:

- Requires states to establish Exchanges for individuals & small employers
- Subsidies for individuals up to 400% of the federal poverty level Mandated auto-enrollment for employers with 200+ full-time employees
- Penalty of \$2,000 per employee per year for employers with 50+ full-time employees who do not offer coverage
- Requirement to offer employees “vouchers” to obtain coverage through the Exchange

Effective in 2018:

Annual high-cost insurance tax: 40% excise tax on “Cadillac” plans. (\$32 B)

Cordially,

Mark Monsty

April, 2010
