

2016

HEALTH REFORM

What you need to know



Content

Transitional reinsurance fee

Out-of-pocket limits

SBC changes

6055/6056 reporting

Health plan identifier

FAQs regarding pregnancy for dependent daughters

Supreme Court decision: Same-sex marriage

Supreme Court decision: Exchange subsidies

Wellness rules

Preventive care final rules

Cadillac tax

Instructions for submitting questions:

01

Submit questions at any time

through the **ask a question** box in the lower left corner of your screen. You should click on the submit box in the ask a question section to send your question to the presenters.

02

Adjust the audio volume

on your computer and on the player displayed on your screen. If you should lose audio, please try refreshing your browser.

03

We will answer your questions

after the presentation is completed.

2015 Health Care Reform Webinar

UMR and UnitedHealthcare are committed to **helping people live healthier lives.**[™] When it comes to health reform, our goal is simple: to help you understand what these changes mean for you.



Welcome

Our speakers



Scott Hogan

Vice President Customer Solutions
Employer & Individual, UMR Group



Kathy Wiseman

Regional Vice President Account Management TPA
Employer & Individual Growth



David Hutchings

Director of Compliance and Claim Process
Employer & Individual, UMR Group



Nancy Menne

Regulatory Implementation Manager
Employer & Individual, UMR Group



Health reform timeline

2010 to 2015 and beyond

Health reform timeline

2010

- Adult child coverage until age 26
- Annual dollar limits restricted
- Early retiree reinsurance program (ERRP)
- ER coverage as in-network, no prior authorization ^G
- Initial appeals review standards ^G
- Lifetime dollar limits prohibited
- Medicare Part D rebate for beneficiaries in the gap
- No pre-existing conditions for members until age 19
- Online consumer information at healthcare.gov
- Pediatricians as PCPs, direct access to OB/GYNs ^G
- Preventive services with no cost sharing ^G
- Rescissions prohibited except for fraud or non-payment
- Small business tax credit
- Temporary high-risk pool

2011

- Annual fee on pharmaceutical manufacturers begins
- Annual rate review process
- Appeals ombudsmen and process documentation ^G
- Auto-enrollment for groups with 200+ FTEs*
- Discounts in Medicare Part D “donut hole”
- HSAs/HRAs/FSAs: limitations for over-the-counter medications
- Increase penalty for non-qualified HSA withdrawals
- Minimum medical loss ratio (MLR): 85% for large group; 80% for small group and individual
- Non-discrimination rules apply to insured plans* ^G
- Small business wellness grants*

2012

- 60-day advance notice of material modifications
- Accountable Care Organization requirements
- Appeals provision fully implemented ^G
- First medical loss ratio rebates to be paid by August
- New women’s preventive services with no cost sharing ^G
- Patient-Centered Outcomes Research Institute (PCORI) fee
- Quality bonus begins for Medicare Advantage plans
- Quality of Care reporting requirements*
- Summary of Benefits and Coverage (SBC) and the Uniform Glossary

Note: Some provisions apply only to fully insured businesses (e.g., MLR and guaranteed issue). Key: G - Grandfathered

Health reform timeline

2013

- Administrative simplification begins
- Annual fee on medical device sales begins
- Deduction for expenses allocable to the Part D subsidy for “qualified prescription drug plans” eliminated
- Employee notification of access to Exchanges
- FSA contributions limited to \$2,500
- Health FSAs allow carryover up to \$500 of unused amounts into the next plan year
- High earner tax begins (applies to individuals)
- W-2 reporting on the value of employer-sponsored health benefits

2014

- Clinical trials coverage ^G
- Coverage for all adult children until age 26 including those that have employer coverage (formerly not covered for grandfathered plans)
- Deductible caps cannot exceed \$2K for individual and \$4K for family ^G
- Essential health benefits required for small employers ^G
- Guaranteed issue and renewability ^G
- Health Benefit Exchanges
- Health Plan ID for large health plans
- ICD-10 code adoption
- Individual mandate
- Insurer fee – permanent
- Integrated HRA (permanently opt out of and waive future HRA reimbursements at least annually and upon termination of employment)
- No annual dollar limits
- No pre-existing condition exclusions
- OOP limits must comply with OOP limits for HSA-qualified plans ^G
- Provider Scope of License (Provider Non-discrimination)
- Rating restrictions ^G / Adjusted community rating
- Transitional reinsurance fee (2014-2016)
- Waiting period limits
- Wellness programs

2015 and beyond

- Administrative Simplification additional operation rules (2016)
- Employer mandate for 100+ (2015)
- Employer mandate for 50-99 (2016)
- Health Plan Certification (2015)
- Health Plan ID for small group plans (2015)
- Health Plan ID used in covered transactions (2016)
- High-value plan excise tax begins (2018)
- IRS reporting 6055/6056 (2015)
- Medicare Part D “donut hole” closed by 2020
- States can open Exchanges to CHIP eligibles (2015) and all employers (2017)

Implementation delayed until regulations are released

- Auto-enrollment for groups with 200+ FTEs
- Non-discrimination rules apply to insured plans^G
- Small business wellness grants
- Quality of care reporting requirements

Note: Some provisions apply only to fully insured businesses (e.g., MLR and guaranteed issue). Key: G - Grandfathered

Transitional reinsurance fee

What you need to know



Transitional reinsurance fee

The transitional reinsurance fee funds reinsurance pools to cover high cost claimants in the individual exchanges.

2015 fees

For the 2015 calendar year, the \$44 per member per year rate may be split as follows:

- \$33.00 per member per year due by Jan. 15, 2016
- \$11.00 per member per year due by Nov. 15, 2016

2016 fees

For the calendar year 2016, the \$27 per member per year rate may be split as follows:

- \$21.60 per member per year paid in January 2017
- \$5.40 per member per year paid in November 2017



Submit enrollment to Pay.gov and schedule payment to complete submission



Make reinsurance payment (full amount or first of two payments)



Make second of two payments (if full payment not made in Jan.)

Enrollment count submission

“Fees are not applicable for members who are:”



Enrolled in Medicare primary



Covered under a supplemental or secondary group health plan

Contribution is not required on the same life more than once.



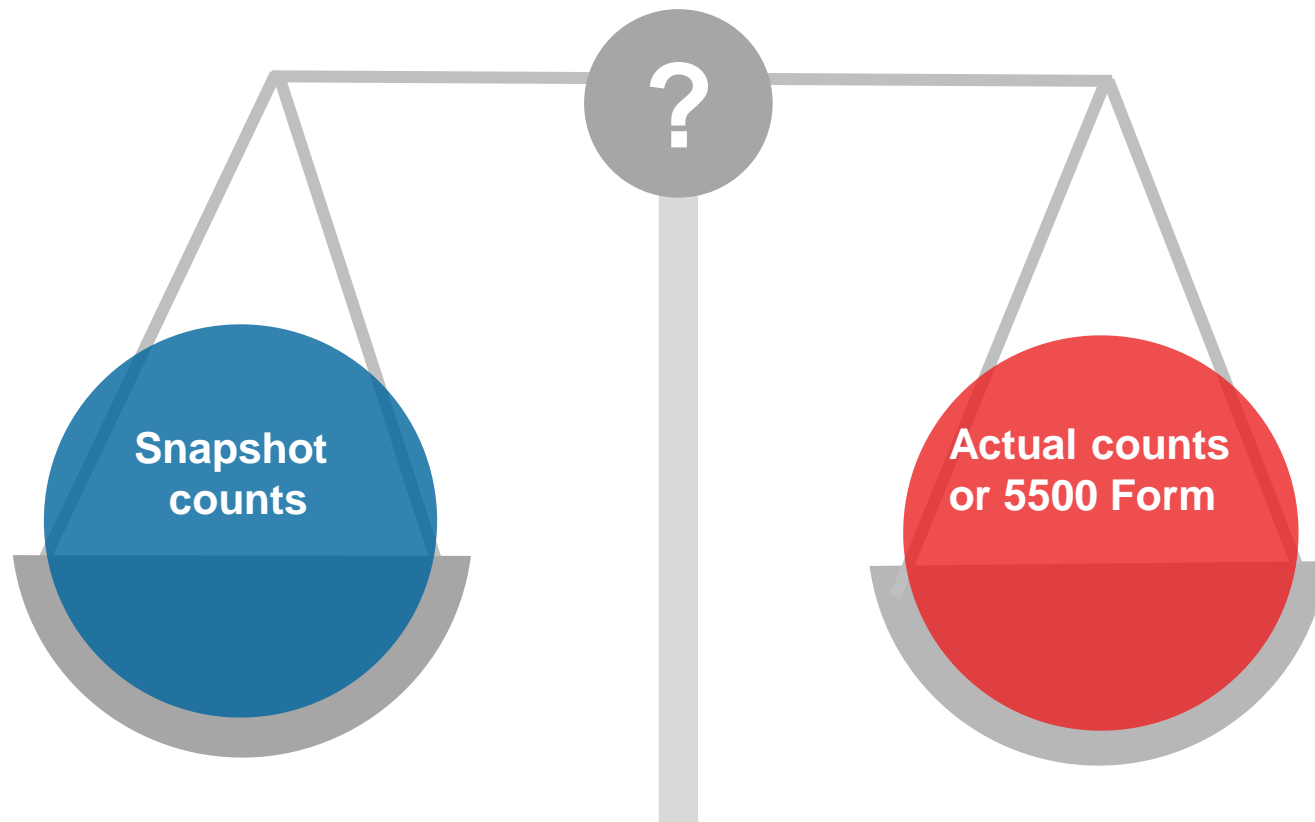
Enrolled in plans that do not meet minimum value (MV)

Reporting assistance

Determining your counting method

In October, your strategic account executive will send you enrollment summary reports based on the snapshot date and snapshot factor methods.

You should compare these counts and counts from the 5500 form and/or actual count to **determine which method is most cost effective for your organization.**



Counting methods

Important

Closely assess your membership count and compare the figure using more than one counting method. Enrollment must be submitted on Pay.gov by Nov. 15, 2015

01

Actual count

Total covered lives for each day of the plan year divided by the number of days.

02

Snapshot dates

Total covered lives on a single day each quarter divided by the number of days. Dates must be consistent each quarter.

03

Snapshot factors

Determined by the sum of participants with single coverage plus the participants with family coverage multiplied by 2.35. Use single day each quarter divided by number of days.

04

5500 form

Combine the total participants at the beginning of the year and at the end of the year as reported on form 5500 and divide by 2.



Limits for 2016

2016 limits

	2015		2016	
	Self-Only	Family	Self-Only	Family
HSA annual contribution limit	\$3,350	\$6,650	\$3,350	\$6,750
HDHP minimum deductible	\$1,300	\$2,600	\$1,300	\$2,600
HDHP maximum OOP	\$6,450	\$12,900	\$6,550	\$13,100
ACA maximum OOP	\$6,600	\$13,200	\$6,850	\$13,700

Out-of-pocket maximum rules

New clarification for Jan. 1, 2016 and later plan years

“No individual, even when in a family coverage tier, can face OOPM exposure more than the statutory single-tier ceiling.”

- Applies to all group sizes and funding types.

Non-embedded:

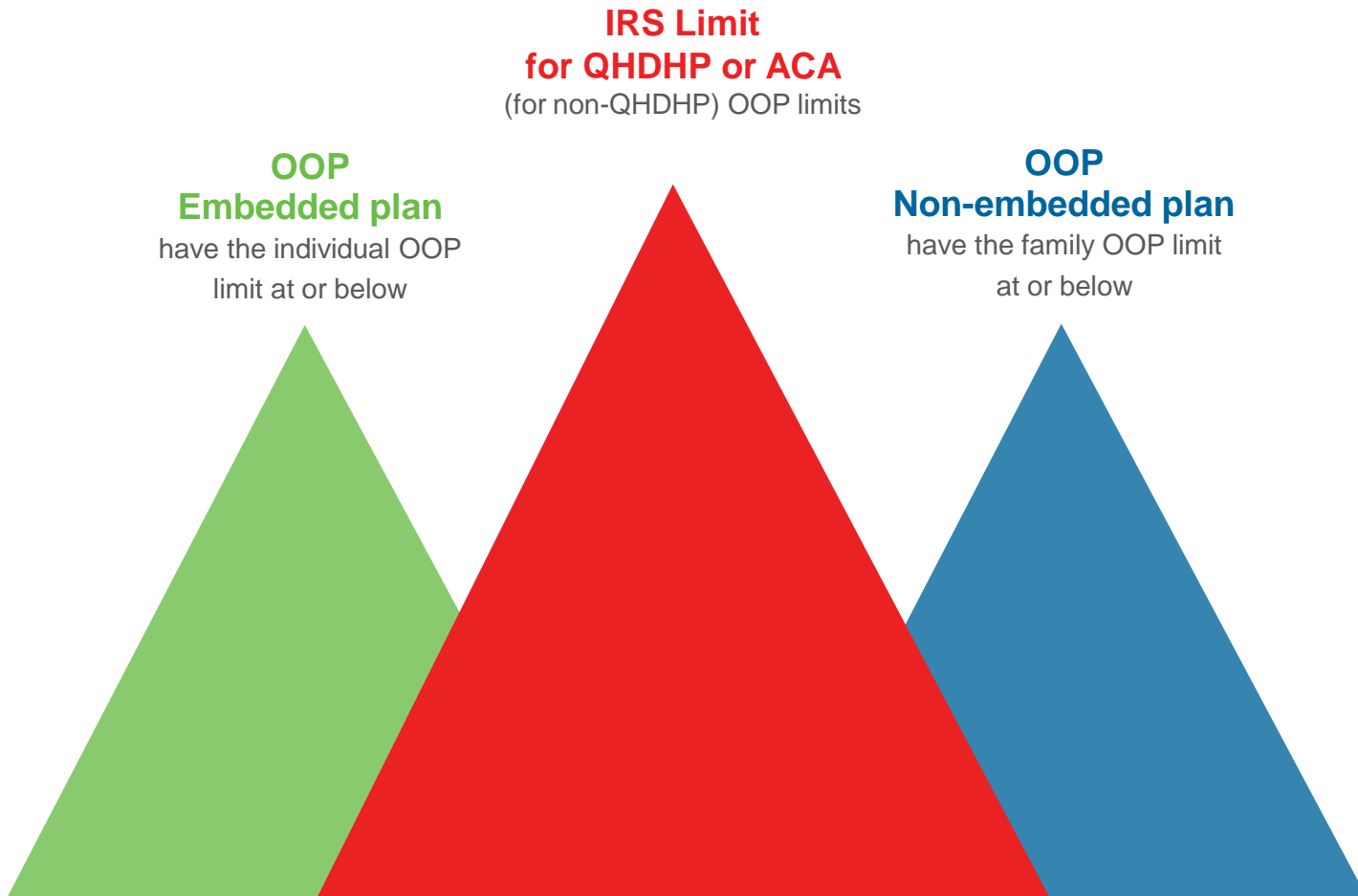
1. Full family OOPM must be met before anyone in the family can qualify for post-OOPM 100% coverage.
2. Family OOPM can be met by one family member, or by several family members.

Embedded:

1. When an individual family member meets OOPM, that individual (and only that individual) receives post-OOPM 100% coverage.
2. In addition to embedded deductible and OOPM, we track separate accumulation for the family as a whole toward the family deductible and OOPM.
3. If the full family reaches the family OOPM, then every family member (even those that haven't yet met the embedded OOPM) get post-OOPM 100% coverage.

Out-of-pocket maximum rules

How to ensure no one exceeds the individual OOP





SBC changes

Final rules

Summary of benefits and coverage

Final rules addressing the SBC and Uniform Glossary

“The rule is effective for open enrollments beginning on or after September 1, 2015, and applies to new hires or special enrollment rights events for plan years on or after Sept. 1, 2015”

Summary of benefits and coverage

Final rules addressing the SBC and Uniform Glossary

“Self-funded plans are not required to include, on the SBC, an Internet address where plan documents are available.”

Summary of benefits and coverage

Final rules addressing the SBC and Uniform Glossary

“The rule incorporates previous FAQ guidance that allows for use of multiple SBCs when multiple service providers are involved.”

Summary of benefits and coverage

Final rules addressing the SBC and Uniform Glossary

“The rule provides non-enforcement guidance allowing for disclosure of the MEC/MV statement on a separate letter and not requiring it on the SBC. This has been extended until new templates are issued.”

Health plan identifier

Notice of delay



Health plan identifier (HPID)

Notice of delay

“The requirement to obtain a health plan identifier (HPID) has been delayed until further notice. ”

1. On Oct. 31, the Centers for Medicare & Medicaid Office of e-Health Standards and Services, the division of the Department of Health and Human Services (HHS) responsible for enforcement of the health insurance portability and accountability act (HIPAA) standard transaction requirements, announced the delay.
2. The delay was recommended by the National Committee on Vital and Health Statistics (NCVHS), an advisory body to HHS. The NCVHS asked HHS to review the HPID requirement and also recommended that HPIDs not be used in HIPAA transactions
3. The U.S. Department of Health and Human Services is seeking comments on a Request for Information on the Health Plan Identifier. The comments are due to HHS by July 28, 2015

Reporting

6055 and 6056 requirements



6055 reporting overview

“Individuals who are not exempt must maintain minimum essential coverage for themselves and any non-exempt family members.”

1. If an individual chooses not to have coverage that provides MEC, they will pay a tax penalty to the IRS based on their income.

6055 reporting overview

“Issuers and self-funded plan sponsors are required to furnish Form 1095-B to responsible individuals and submit reports to the IRS.”

1. Self-funded groups of 50 or more are required to combine 6055 and 6056 reporting on Form 1095-C
2. Reporting information provided to the IRS and subscriber must include:
 - Information identifying the employer sponsoring the plan
 - Information identifying the responsible individual
 - Social Security number for the responsible individual as well as any covered dependents under the plan
 - Months of coverage

6056 reporting overview

“Section 6056 reporting is the required reporting to the IRS of information relating to offers of coverage by employers that sponsor group health plans.”

1. A statement disclosing information about the offer of coverage must also be furnished to full-time employees..

6055 and 6056 combined reporting

“Self-funded groups of 50 or more are required to combine 6055 and 6056 reporting on Form 1095-C.”

1. The following information must be reported to the IRS and subscriber:
 - Name, address and employer identification number (EIN) of the applicable large employer
 - Detailed information about MEC and the offer of coverage (affordable or minimum value), months during which coverage was available
 - The share, by calendar month, of the lowest cost monthly premium for each employee’s self-only coverage providing minimum value offered under plan
 - Number of full-time employees for each month during the calendar year
 - Name, address, Social Security number or Taxpayer Identification Number (TIN) of each full-time employee during the calendar year and the months, if any, during which the employee was covered under the plan
2. Self-funded plan sponsors that are ALEs must combine section 6055 and section 6056 information on Form 1095-C.
3. Form 1095-C reports information about employer’s offer of coverage as well as the individuals actually covered under the plan .
4. Form 1095-C is sent to full-time employees even if they declined coverage.
5. Completion and distribution of Form 1095-C constitutes a “return” under both sections 6055 and 6056 .

New forms 1095-B and 1095-C

Form 1095-B Health Coverage VOID CORRECTED 560115 OMB No. 1545-2251 2015

Department of the Treasury Internal Revenue Service

► Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.

Part I Responsible Individual

1 Name of responsible individual 2 Social security number (SSN) 3 Date of birth (if SSN is not available)

4 Street address (including apartment no.) 5 City or town 6 State or province 7 Country and ZIP or foreign postal code

8 Enter letter identifying Origin of the Policy (see instructions for codes)

Part II Employer Sponsored Coverage (see instructions)

9 Employer name 10 Employer identification number (EIN)

11 Street address (including room or suite no.) 12 City or town 13 State or province 14 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

15 Name 16 Employer identification number (EIN) 17 Contact telephone number

18 Street address (including room or suite no.) 19 City or town 20 State or province 21 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual(s).)

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of coverage													
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60704B Form 1095-B (2015)

Form 1095-C Employer-Provided Health Insurance Offer and Coverage VOID CORRECTED 500116 OMB No. 1545-2251 2015

Department of the Treasury Internal Revenue Service

► Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c.

Part I Employee Applicable Large Employer Member (Employer)

1 Name of employee 2 Social security number (SSN) 7 Name of employer 8 Employer identification number (EIN)

3 Street address (including apartment no.) 9 Street address (including room or suite no.) 10 Contact telephone number

4 City or town 5 State or province 6 Country and ZIP or foreign postal code 11 City or town 12 State or province 13 Country and ZIP or foreign postal code

Part II Employee Offer and Coverage Plan Start Month (Enter 2-digit number):

14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

16 Applicable Section 408(a) Safe Harbor (enter code, if applicable)

Part III Covered Individuals If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage													
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Form 1095-C

Part II – Line 14

Form 1095-C Department of the Treasury Internal Revenue Service		Employer-Provided Health Insurance Offer and Coverage				VOID CORRECTED		OMB No. 1545-2251 2015					
Part I Employee		Applicable Large Employer Member (Employer)											
1 Name of employee		2 Social security number (SSN)		7 Name of employer			8 Employer identification number (EIN)						
3 Street address (including apartment no.)				9 Street address (including room or suite no.)			10 Contact telephone number						
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code			
Part II Employee Offer and Coverage				Plan Start Month (Enter 2-digit number):									
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Use one of the codes below on Line 14.

- 1A** Qualifying offer: Minimum essential coverage providing minimum value offered to full-time employees with employee contribution for self-only coverage equal to or less than 9.5% mainland single Federal Poverty Line and at least MEC offered to spouse and dependents.
- 1B** Minimum essential coverage providing minimum value offered to employee only.
- 1C** Minimum essential coverage providing minimum value offered to employee and at least minimum essential covered offer to dependent(s) (not spouse).
- 1D** Minimum essential covered providing minimum value offered to employee and at least minimum essential covered offered to spouse (not dependent(s)).
- 1E** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.

Form 1095-C

Part II – Line 14

Form 1095-C Department of the Treasury Internal Revenue Service		Employer-Provided Health Insurance Offer and Coverage ▶ Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c .				VOID CORRECTED		OMB No. 1545-2251 2015					
Part I Employee				Applicable Large Employer Member (Employer)									
1 Name of employee		2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)							
3 Street address (including apartment no.)				9 Street address (including room or suite no.)		10 Contact telephone number							
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code			
Part II Employee Offer and Coverage				Plan Start Month (Enter 2-digit number):									
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

If an employee declines coverage:

1. The IRS requires that employers report on Line 14 their *offer* of coverage regardless of the fact that the employee declined coverage and did not enroll.
2. The code used will be based on the actual coverage offered.
3. Visit the [IRS website](http://www.irs.gov) or speak with a tax professional.

Form 1095-C

Part II – Line 15

Form 1095-C Department of the Treasury Internal Revenue Service		Employer-Provided Health Insurance Offer and Coverage ▶ Information about Form 1095-C and its separate instructions is at www.irs.gov/ft1095c .				VOID CORRECTED		OMB No. 1545-2251 2015					
Part I Employee				Applicable Large Employer Member (Employer)									
1 Name of employee		2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)							
3 Street address (including apartment no.)				9 Street address (including room or suite no.)		10 Contact telephone number							
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code			
Part II Employee Offer and Coverage				Plan Start Month (Enter 2-digit number):									
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Complete line 15 only if one of the following codes are entered on line 14.

- 1B** Minimum essential coverage providing minimum value offered to employee only.
- 1C** Minimum essential coverage providing minimum value offered to employee and at least minimum essential covered offer to dependent(s) (not spouse).
- 1D** Minimum essential covered providing minimum value offered to employee and at least minimum essential covered offered to spouse (not dependent(s)).
- 1E** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.

Form 1095-C

Part II – Line 16

Form 1095-C Department of the Treasury Internal Revenue Service		Employer-Provided Health Insurance Offer and Coverage ▶ Information about Form 1095-C and its separate instructions is at www.irs.gov/ft1095c .				VOID CORRECTED		OMB No. 1545-2251 2015						
Part I Employee				Applicable Large Employer Member (Employer)										
1 Name of employee		2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)								
3 Street address (including apartment no.)				9 Street address (including room or suite no.)		10 Contact telephone number								
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code				
Part II Employee Offer and Coverage				Plan Start Month (Enter 2-digit number):										
		All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)														
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)														

Enter applicable code series 2 only if:

1. Employee was not employed.
2. Employee not a full-time employee.
3. Enrolled in other coverage.
4. There were applicable optional safe harbors.

What employers need to do

Step-by-step

01

Collect and document data for 6056 reporting.

- Coverage offered to employees including dependents
- Months coverage was available
- Number of full-time employees for each month during the calendar year
- The share, by calendar month, of the lowest cost monthly premium for each employee's self-only coverage providing minimum value offered under plan
- Name, address, SSN of each full-time employee and covered dependents during the calendar year and the months, if any, they were covered under the plan
- Any other information that may be specified

02

Document how employees are counted.

- Use the employer mandate counting method
- Identifies employers obligated to report under employer mandate

What employers need to do

Step-by-step

03

Determine who will generate the required forms.

It may be easier for employees if Form 1095 is delivered with the W-2 form.

Form 1095-B Health Coverage VOID CORRECTED 560115 OMB No. 1545-2252 2015

Department of the Treasury Internal Revenue Service

Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.

Part I Responsible Individual

1 Name of responsible individual 2 Social security number (SSN) 3 Date of birth (if SSN is not available)

4 Street address (including apartment no.) 5 State or province 6 City or town 7 Country and ZIP or foreign postal code

8 Enter letter identifying Origin of the Policy (see instructions for codes): Small Business Health Options Program (SHOP) Marketplace identifier, if applicable

Part II Employer Sponsored Coverage (see instructions)

10 Employer name 11 Employer identification number (EIN)

12 Street address (including room or suite no.) 13 City or town 14 State or province 15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

16 Name 17 Employer identification number (EIN) 18 Contact telephone number

19 Street address (including room or suite no.) 20 City or town 21 State or province 22 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual(s).)

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of coverage													
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60704B Form 1095-B (2015)

Form 1095-C Employer-Provided Health Insurance Offer and Coverage VOID CORRECTED 560115 OMB No. 1545-2251 2015

Department of the Treasury Internal Revenue Service

Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c.

Part I Employee Applicable Large Employer Member (Employer)

1 Name of employee 2 Social security number (SSN) 7 Name of employer 8 Employer identification number (EIN)

3 Street address (including apartment no.) 9 Street address (including room or suite no.) 10 Contact telephone number

4 City or town 5 State or province 6 Country and ZIP or foreign postal code 11 GN of town 12 State or province 13 Country and ZIP or foreign postal code

Part II Employee Offer and Coverage Plan Start Month (Enter 2-digit number)

14 Offer of Coverage letter required code	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	15 Employee Share of Covered Cost Monthly Premium, for Self-Only Minimum Value Coverage		
														\$	\$	

16 Applicable Section 4980H Safe Harbor letter code, if applicable

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s) (b) SSN (c) DOB (if SSN is not available) (d) Covered all 12 months (e) Months of Coverage

	(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage												
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
17				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What employers need to do

Step-by-step

04

Think about ways to reduce compliance costs.

- **Distribute the forms together.**
 - It may be easier for employees because tax information is in one place.
 - Coordinate with the W-2 vendor if you want to distribute the forms together.
- **Consider electronic delivery.**
 - Consent is required for electronic transmission.
 - Create a process to obtain consent for electronic delivery or include with W-2 Form.

Dates to remember

Mark your calendar



Form 1095 furnished to responsible individuals
Combined statement may be sent electronically (with consent) along with Form W-2.



Reports due to IRS
For electronic delivery, the deadline is March 31, 2016.



Reporting due to IRS for entities that file 250 or more returns
(electronic filing only)

SSN/TIN Solicitation

An SSN/TIN is required by the IRS to compare information disclosed on the Form 1095 report with the individual's federal tax return. SSN solicitation should be made by employers during enrollment for both subscribers and dependents.

Problem

Action to take

Member is not eligible to work

Use tax identification number (TIN)

Member is not legally required to have a Social Security number

Use their date of birth

Member refuses or does not provide Social Security number

Coverage cannot be terminated



**Pregnancy and
dependent daughters**
Requirements

Pregnancy and dependent daughter

Requirements

“Plans that provide coverage to dependent children and that are subject to the Preventive Care Rule are required to cover preventive services related to maternity for dependent daughters.”

1. May 11, 2015, the joint agencies issued FAQ Part XXVI.
2. Q6: If a plan or issuer covers dependent children, is the plan or issuer required to cover without cost sharing recommended women's preventive care services for dependent children, including recommended preventive services related to pregnancy, such as preconception and prenatal care?

Yes. For example, the HRSA Guidelines recommend well-woman visits for adult women to obtain the recommended preventive services that are age and developmentally appropriate, including preconception care and many services necessary for prenatal care. Therefore plans and issuers must cover without cost sharing these recommended preventive services for dependent children where an attending provider determines that well-woman preventive services are age and developmentally appropriate for the dependent.

Same-sex marriage
Supreme court decision



“The 14th Amendment to the U.S. Constitution guarantees equal protection and due process under the law which includes the right to marriage.”

1. Obergefell v. Hodges: On June 26, 2015, in a 5-4 decision, the U.S. Supreme Court legalized same-sex marriage in all 50 states.
2. In its decision, the Supreme Court addressed two issues:
 - Is a state required to license a marriage between two people of the same sex?
 - Is a state required to recognize a marriage between two people of the same sex that was lawfully licensed and performed in a different state?

The answer to both questions was yes.

Same-sex marriage

Supreme Court ruling



Is there an exemption for religious objections?

The Supreme Court's decision does not provide an exemption based on religious beliefs or objections.



Does my plan have to cover same-sex spouses?

The Supreme Court's decision addresses state marital laws and does not address how this change applies to employment and benefits law. However, for plans that provide coverage to spouses of employees the exclusion of same-sex spouses poses a risk under local, state and federal anti-discrimination laws that should be discussed with your legal counsel.

Same-sex marriage

Supreme Court ruling

What the decision means to your plan

You should review your plans definition of dependent and discuss with legal counsel if changes to the definition may be appropriate based on the decision and if a special enrollment period is necessary.

	Impact to plan	Actions to take
Plan already covered same-sex spouses	No impact	None
Plan provides coverage to legal spouses as defined by state law	Plan now covers same-sex spouses	May need to provide special enrollment period to allow existing same-sex spouses, previously ineligible, to enter the plan.
Plan excludes coverage for same-sex spouses	Plan amendment may be required	Plan should likely be amended to provide coverage. Provide special enrollment period to allow same-sex spouses to enter the plan.



Exchange subsidies
Supreme Court decision

“Section 36B tax credits (exchange premium subsidies under the Affordable Care Act) are available to individuals in states that use the Federal Exchange.”

1. King v. Burwell: June 25, 2015, in a 6-3 decision.
2. The decision maintains the status quo under the Affordable Care Act.

Wellness

EEOC proposed rules



Wellness proposed rules

How does it differ from HIPAA wellness rules?

The proposed rules would apply to programs that include disability-related inquiries or medical examinations and are generally in line with HIPAA wellness rules, however, there are some significant differences:



What if the program includes disability related questions or a medical exam?

- Failure to participate cannot result in the denial of coverage under any of the employer's group health plans or benefit packages, or limit the extent of coverage except pursuant to allowed incentives.
- Limitations on the amount of incentives apply to both participatory and health outcome based programs
- The maximum incentive allowed is 30% of the total cost of employee-only coverage. This does not extend to cost of family coverage if spouses or children are included in the program.
- The additional 20% incentive, to a total of 50%, for tobacco cessation programs is only allowed in programs that do not include disability-related inquiries or medical exams.
- Reasonable accommodation rules apply to both participatory and health outcome-based programs.



What if the program is part of a group health plan?

A notice is required to be provided that describes:

- The type of medical information being obtained and the specific purposes it will be used for; and
- The restrictions on disclosures of the information, who it will be shared with, and how it will be protected from improper disclosure

Wellness proposed rules



What should employers do?

This is only a proposed rule at this point and no changes are required. However, you should review your current wellness program against the proposed requirements to determine what changes, if any, would be necessary to comply.

The comment period on the proposal closed June 19, 2015, and many entities, including UMR through its trade associations, have submitted comments encouraging EEOC to modify the rule to more closely follow the HIPAA wellness rule requirements.

A close-up photograph of a small American flag on a wooden stick. The flag features the classic stars and stripes design. The top left corner shows a field of white stars on a blue background, while the rest of the flag consists of alternating red and white horizontal stripes. The flag is positioned diagonally across the frame. The background is a dark, textured surface, possibly a book cover or a piece of fabric, with a vertical strip of lighter material visible on the right side.

Preventive care
Final rule

Preventive care

Final rule regarding coverage that is no longer required

“If a plan is required to provide coverage for a preventive service on the first day of its plan year, it must continue to provide coverage for that service through the last day of that plan year.”

1. On July 14, 2015, the joint agencies released a new preventive care final rule.
2. The rule, which will be effective for plan years beginning on or after Sept. 15, 2015, finalizes prior guidance issued in the form of interim rules and FAQs, but includes two significant changes to the preventive care rules.

Preventive care

Final rule regarding coverage that is no longer required

“Coverage must be continued for the entire plan year even if the recommendation or guideline for that service changes during the year.”

Exceptions:

- If the service has been downgraded to a D rating by the Preventive Services Task force, or
- If the service is the subject of a safety recall or has been determined to pose a significant safety concern by a federal agency.

Preventive care

Final rule regarding for-profit entities with religious objections

“The rule provides accommodation under the existing Eligible Organization Rules to allow closely held, for-profit entities to opt out of providing contraceptive coverage based on religious objections.”

1. In response to the U.S. Supreme Court decision in Hobby Lobby v. Burwell.

Closely held for-profit entities

Definition



What is a closely held for-profit entity?

The rule defines a closely held, for-profit entity as an entity that:

- Is not a non-profit,
- Does not have publicly traded ownership interests, and
- Has more than 50% of the value of its ownership interest held directly or indirectly by 5 or fewer individuals, or has an ownership structure that is substantially similar to that.



Are all closely held for-profit entities eligible organizations?

Similar to the rules for non-profit entities, only those entities that meet the following requirements are considered eligible organizations.

- Because of religious objections, the entity opposes providing coverage for all or some of the contraceptive services and items required by the Preventive Care Rule.
- The organization operates as a closely held, for-profit entity and its highest governing body has adopted a resolution or similar action establishing that it objects to providing some or all contraceptive services as a result of its owners' sincerely held religious beliefs.
- The organization self-certifies in the form and manner specified by the rule.



Cadillac tax

What you need to know

Cadillac tax

Excise tax on high-cost coverage



What is the Cadillac tax?

The excise tax is a 40% tax assessed on the total value (employer and employee contributions) of employer-sponsored coverage that exceeds threshold levels set by the law. It applies to tax years beginning on or after Jan. 1, 2018.



What are the thresholds?

Amounts were set in the 2010 PPACA statute and have a built-in inflation factor of 55% to account for the period between 2010 and 2018. Additional upward adjustments will occur if inflation during the period is higher than expected.

Cadillac tax

Excise tax on high-cost coverage

Threshold levels for 2018

Threshold levels will not be lower than the amounts shown, but could be higher based on general adjustments for inflation and other allowed adjustments.



Cadillac tax

What you need to know



What coverage is included?

- Coverage under a group health plan sponsored by an employer and excluded from gross income under IRC 106 is subject to the tax.
- Coverage that is considered HIPAA-excepted benefits, with the exception of on-site medical clinics, is not subject to the tax.
- Dental or vision coverage that is issued under separate policy of insurance is not subject to the tax.



How is the cost of coverage determined?

- In general, the cost of coverage is determined in the same manner as COBRA premiums are calculated.
- For health FSAs, the cost is the sum of the employee's salary reduction and any additional amount contributed by the employer.
- For HSAs and Archer MSAs, the cost is the amount of the employer contribution and any pre-tax salary reduction contributions.

Cadillac tax

What you need to know



What has changed since last year?

Earlier this year, the IRS issued Notice 2015-16. The notice was a request for information which signals the first step in the rule-making process and indicates that the agency still had questions on how to implement the tax.

The comment period on the notice ended May 15, 2015. UMR and UnitedHealthcare provided comment on a number of areas including:

- Advocating that HSA contributions should only be subject to the tax if the HSA meets the definition of a welfare benefit plan under ERISA.
- Supporting the exclusion of self-funded dental and vision plans that meet the definition of excepted benefits.
- Supporting the exclusion of all excepted benefits, including on-site medical clinics and employee assistance programs (EAPs).

Legislation has been introduced in Congress to repeal the tax, however, the likelihood of any of the bills succeeding is unknown.

Cadillac tax

What should you be doing now?

Keeping in mind that regulatory guidance has not been issued at this point and uncertainties exist regarding what the exact threshold levels will be in 2018, you should:

01

Calculate the cost of coverage you provide

to determine if it exceeds the minimum thresholds set in the PPACA statute.

02

Project that cost forward

to determine if it will exceed the thresholds in 2018.

03

Determine what changes may be necessary

to avoid exceeding thresholds.



Thank you for attending

We appreciate any feedback you would like to share. Please let us know if you felt the presentation was helpful and if you have any questions.