









Timeline for Next Steps



Whether you are a small or large employer, a Fortune 100 company or non-profit organization, the new health reform legislation brings in sweeping changes that will affect your organization and the group health plans that you sponsor for your employees. To help you respond to these changes, Venable's Employee Benefits and Executive Compensation Group has developed the following timeline of action items and practical next steps that you need to take.

EFFECTIVE DATE	ACTION ITEMS	APPLIES TO GRANDFATHERED PLANS? *
NOW	IF YOU HAVE 25 OR FEWER FTES, WORK WITH YOUR FINANCE DEPARTMENT TO EVALUATE WHETHER YOU ARE ELIGIBLE FOR THE SMALL EMPLOYER TAX CREDIT AND IF SO, APPLY FOR CREDIT	
	IF YOU OFFER RETIREE COVERAGE AND APPLY FOR THE MEDICARE PART D SUBSIDY, WORK WITH YOUR FINANCE DEPARTMENT AND AUDITORS TO EVALUATE THE CURRENT IMPACT ON YOUR FINANCIAL STATEMENTS UNDER THE FASB RULES BECAUSE THE MEDICARE PART D SUBSIDY WILL EFFECTIVELY BECOME TAXABLE IN 2013	
6/23/2010	IF YOU OFFER RETIREE COVERAGE FOR RETIREES AGES	



* "Grandfathered plans" - meaning plans that were in existence on March 23, 2010 - are exempt from many (but not all) of the new law's requirements. The provisions of the new law that DO apply to grandfathered plans are identified in this column by the icon of the grandfather clock. If there is no icon next to a particular provision, then that provision does not apply to grandfathered plans at this time (subject to future guidance).





	<p>55-65 WHO ARE NOT ELIGIBLE FOR MEDICARE, APPLY FOR THE RETIREE REINSURANCE PROGRAM, WORK WITH YOUR FINANCE DEPARTMENT AND OBTAIN CLAIMS DATA FROM YOUR INSURANCE COMPANY/TPA AND CONSIDER APPROPRIATE PLAN DESIGN CHANGES</p>	
<p>1/1/2011 FOR CALENDAR YEAR PLANS</p>	<p>EVALUATE WHAT PLANS YOU ARE GOING TO OFFER, AND DETERMINE WHETHER ANY PLANS NEED TO BE RESTRUCTURED</p>	
	<ul style="list-style-type: none"> • DETERMINE WHAT GRANDFATHERED PLANS YOU HAVE 	
	<ul style="list-style-type: none"> • DETERMINE WHETHER YOU HAVE ANY DENTAL AND VISION COVERAGE THAT YOU WANT TO CONVERT TO "STAND-ALONE" PLANS SO THAT THEY ARE EXEMPT FROM THE NEW RULES ON ANNUAL AND LIFETIME LIMITS 	
	<ul style="list-style-type: none"> • DETERMINE WHETHER YOU HAVE ANY FULLY-INSURED PLANS THAT NEED TO BE RESTRUCTURED TO COMPLY WITH THE NONDISCRIMINATION COVERAGE RULES, SUCH AS EXECUTIVE-ONLY PLANS 	
	<ul style="list-style-type: none"> • CLASS ACT (VOLUNTARY LONG-TERM CARE PROGRAM) 	
	<ul style="list-style-type: none"> • NEW WELLNESS PROGRAMS (GRANTS AVAILABLE FOR SMALL EMPLOYERS) 	


EFFECTIVE DATE	ACTION ITEMS	APPLIES TO GRANDFATHERED PLANS?
1/1/2011 FOR CALENDAR YEAR PLANS	AMEND MEDICAL PLAN DOCUMENTS	
	<ul style="list-style-type: none"> • REMOVE LIFETIME MAXIMUM LIMITS FOR ESSENTIAL HEALTH BENEFITS (AND DEFINE WHAT THOSE ARE) 	
	<ul style="list-style-type: none"> • REVISE ANNUAL LIMITS FOR ESSENTIAL HEALTH BENEFITS TO REFLECT HHS STANDARDS 	
	<ul style="list-style-type: none"> • REMOVE PRE-EXISTING CONDITION LIMITS FOR CHILDREN UNDER AGE 19 	
	<ul style="list-style-type: none"> • LIMIT RIGHT TO RESCIND COVERAGE ONLY TO FRAUD OR INTENTIONAL MISREPRESENTATION OF A MATERIAL FACT 	
	<ul style="list-style-type: none"> • EXPAND DEPENDENT ELIGIBILITY TO COVER ADULT CHILDREN UP TO AGE 26 (APPLICABLE TO GRANDFATHERED PLANS ONLY IF THE DEPENDENTS ARE NOT ELIGIBLE FOR COVERAGE UNDER ANOTHER EMPLOYMENT-BASED PLAN) 	
	<ul style="list-style-type: none"> • REMOVE COST SHARING, AND IMPLEMENT FIRST-DOLLAR COVERAGE, FOR PREVENTIVE CARE (DEDUCTIBLES, COPAYS, AND CO-INSURANCE CAN'T APPLY) 	
	<ul style="list-style-type: none"> • PERMIT DESIGNATION OF ANY PARTICIPATING PRIMARY CARE PROVIDER 	


	<ul style="list-style-type: none"> • REMOVE RESTRICTIONS ON EMERGENCY CARE 	
	<ul style="list-style-type: none"> • UPDATE INTERNAL AND EXTERNAL APPEALS PROCEDURES 	
	<ul style="list-style-type: none"> • ANY ADDITIONAL DESIGN CHANGES THAT MAY BE MADE TO OFFSET SOME OF THE ANTICIPATED INCREASES IN COSTS DUE TO LIMITS ON ANNUAL AND LIFETIME MAXIMUMS, REMOVAL OF PRE-EXISTING CONDITIONS, ETC. 	
	AMEND MEDICAL FSA PLAN DOCUMENTS	
	<ul style="list-style-type: none"> • ELIMINATE REIMBURSEMENT FOR OTC DRUGS 	
	<ul style="list-style-type: none"> • IF SMALL EMPLOYER, CONSIDER ESTABLISHING "SIMPLE" CAFETERIA PLAN 	
	PROVIDE NOTICE OF CHANGES TO PARTICIPANTS (BY 11/1/2010)	
	<ul style="list-style-type: none"> • GIVE AT LEAST 60 DAYS' ADVANCE NOTICE OF CHANGES (SMMS OR NEW SPDS) 	
	NEGOTIATE INSURANCE COSTS OR STOP-LOSS COVERAGE, AS APPLICABLE	
	<ul style="list-style-type: none"> • REMOVAL OF ANNUAL, LIFETIME, AND PRE-EXISTING CONDITION LIMITS, AND COST SHARING, THE ADDITION OF OTHER RESTRICTIONS, AND EXPANSION OF DEPENDENT ELIGIBILITY COULD CREATE MORE EXPENSE TO EMPLOYERS, 	




	IN TERMS OF PREMIUMS FOR FULLY-INSURED PLANS AND STOP-LOSS	
	UPDATE CONTRACTS WITH TPAS/CLAIMS ADMINISTRATORS	
	<ul style="list-style-type: none"> • COMPLIANCE WITH NEW INTERNAL AND EXTERNAL CLAIMS PROCESSES 	
	<ul style="list-style-type: none"> • DETERMINE WHO WILL HANDLE TRANSPARENCY DISCLOSURES 	
	<ul style="list-style-type: none"> • DETERMINE WHO WILL PREPARE HHS REPORTING ON MEDICAL LOSS RATIOS 	

EFFECTIVE DATE	ACTION ITEMS	APPLIES TO GRANDFATHERED PLANS?
1/1/2011 FOR CALENDAR YEAR PLANS	IMPLEMENT AUTO-ENROLLMENT (DEPENDING ON EFFECTIVE DATE)	
	WORK WITH PAYROLL TO IMPLEMENT CHANGES	
	<ul style="list-style-type: none"> • PAYROLL WITHHOLDING TO IMPLEMENT ANY "SIMPLE" EMPLOYER CAFETERIA PLAN; VOLUNTARY CLASS ACT PLAN 	
	<ul style="list-style-type: none"> • W-2 REPORTING OF EMPLOYER-PROVIDED HEALTH COVERAGE 	
	PROVIDE REQUIRED NOTICES TO HHS	
	<ul style="list-style-type: none"> • REPORTING TO HHS ON MEDICAL LOSS RATIOS 	
	<ul style="list-style-type: none"> • REPORTING TO HHS (AND PUBLIC) TO COMPLY WITH TRANSPARENCY PROVISIONS 	
	APPLY FOR AVAILABLE GRANTS FOR SMALL EMPLOYER WELLNESS PROGRAM	
1/1/2012 FOR CALENDAR YEAR PLANS	AMEND MEDICAL PLAN DOCUMENTS	
	<ul style="list-style-type: none"> • COORDINATION WITH MEDICARE 	
	PROVIDE NEW REQUIRED (UNIFORM) PLAN SUMMARIES	
	UPDATE CONTRACTS WITH TPAS/CLAIMS ADMINISTRATORS	
	<ul style="list-style-type: none"> • PUT SYSTEMS IN PLACE TO ENABLE QUALITY OF CARE REPORTS TO HHS 	

1/1/2013 FOR CALENDAR YEAR PLANS	AMEND MEDICAL FSA PLAN DOCUMENTS	
	<ul style="list-style-type: none">• IMPOSE CAP ON CONTRIBUTIONS	
	WORK WITH PAYROLL TO IMPLEMENT CHANGES	
	<ul style="list-style-type: none">• MEDICAL FSA CAPS	
	<ul style="list-style-type: none">• INCREASED MEDICARE TAXES ON EARNED INCOME	
	WORK WITH FINANCE	
	<ul style="list-style-type: none">• TAXATION OF MEDICARE PART D SUBSIDY	
	<ul style="list-style-type: none">• PAYMENT OF PER-PARTICIPANT FEE (PREMIUM TAX)	
	PROVIDE REQUIRED NOTICES BY 3/1/2013 TO EMPLOYEES REGARDING AVAILABILITY OF INSURANCE EXCHANGES	
1/1/2014 FOR CALENDAR YEAR PLANS	EVALUATE WHAT PLANS YOU ARE GOING TO OFFER	
	<ul style="list-style-type: none">• SMALL EMPLOYERS HAVE ACCESS TO STATE INSURANCE EXCHANGES	
	<ul style="list-style-type: none">• LARGE EMPLOYERS ARE SUBJECT TO PLAY OR PAY PENALTIES, OPT-OUT PENALTIES, AND "FREE CHOICE" VOUCHERS	
	<ul style="list-style-type: none">• WELLNESS PLANS HAVE TO MEET CERTAIN STANDARDS, SO EXISTING WELLNESS PROGRAMS MAY NEED MODIFICATION	
	AMEND MEDICAL PLAN DOCUMENTS	
	<ul style="list-style-type: none">• GRANDFATHERED PLANS MUST EXPAND DEPENDENT ELIGIBILITY FOR ADULT CHILDREN, EVEN IF	

	ELIGIBLE FOR OTHER EMPLOYER-PROVIDED COVERAGE	
	<ul style="list-style-type: none"> • REMOVE WAITING PERIODS EXCEEDING 90 DAYS 	

EFFECTIVE DATE	ACTION ITEMS	APPLIES TO GRANDFATHERED PLANS?
1/1/2014 FOR CALENDAR YEAR PLANS	AMEND MEDICAL PLAN DOCUMENTS (CONT.)	
	<ul style="list-style-type: none"> • REMOVE ALL ANNUAL LIMITS ON ESSENTIAL BENEFITS 	
	<ul style="list-style-type: none"> • REMOVE ALL PRE-EXISTING CONDITIONS (CAN NO LONGER IMPOSE ON INDIVIDUALS AGE 19 AND OVER) 	
	<ul style="list-style-type: none"> • MANDATED COST-SHARING LIMITS 	
	<ul style="list-style-type: none"> • ADD COVERAGE FOR CLINICAL TRIALS FOR CANCER OR LIFE THREATENING DISEASES 	
	<ul style="list-style-type: none"> • ANY ADDITIONAL DESIGN CHANGES THAT MAY BE MADE TO OFFSET SOME OF THE ANTICIPATED INCREASES IN COSTS DUE TO CHANGES ON ANNUAL LIMITS, REMOVAL OF PRE-EXISTING CONDITIONS, AND LIMITS ON COST-SHARING 	
	NEGOTIATE INSURANCE COSTS OR STOP-LOSS COVERAGE, AS APPLICABLE	

	<ul style="list-style-type: none"> REMOVAL OF ANNUAL AND PRE-EXISTING CONDITION LIMITS, COST SHARING AND OTHER RESTRICTIONS, AND EXPANSION OF DEPENDENT ELIGIBILITY COULD CREATE MORE EXPENSE TO EMPLOYERS, IN TERMS OF PREMIUMS FOR FULLY-INSURED PLAN AND STOP-LOSS 	
	REPORTING TO IRS ON EMPLOYER-PROVIDED COVERAGE	
	PROVIDE REQUIRED NOTICES REGARDING EMPLOYER-PROVIDED COVERAGE AND WELLNESS PROGRAMS	
1/1/2017 FOR CALENDAR YEAR PLANS	EVALUATE WHAT PLANS YOU ARE GOING TO OFFER	
	<ul style="list-style-type: none"> LARGE EMPLOYERS HAVE ACCESS TO STATE INSURANCE EXCHANGES 	
1/1/2018 FOR CALENDAR YEAR PLANS	EVALUATE WHAT PLANS YOU ARE GOING TO OFFER	
	WORK WITH FINANCE AND WITH INSURANCE COMPANY OR ACTUARIAL FIRM TO DETERMINE IF YOU OFFER A "CADILLAC" PLAN SUBJECT TO PENALTY TAX, OR WHETHER YOU CAN RESTRUCTURE YOUR PLANS TO MINIMIZE OR AVOID PENALTY	

If you have any questions about this timeline or about the impact that the health reform legislation may have on your organization, please feel free to contact any member of the **Employee Benefits and Executive Compensation Group**.

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