

# Health Care Reform Checklist for 2011

The [Patient Protection and Affordable Care Act](#) (PPACA) contains comprehensive health insurance reforms that require compliance by employer-sponsored **group** health plans. Many of these reforms apply to plan years beginning on or after September 23, 2010. The following general checklist is designed to help employers review their plan's compliance with the major health care reform requirements implemented in 2010, as well as prepare for changes ahead in 2011.



Please note that this list is for general reference purposes only and is not all-inclusive. This list is also subject to change based on new government requirements or directives. Additionally, your group plan may be exempt from certain requirements described below. If you have any questions regarding your obligations with respect to health care reform, you should consult with a knowledgeable employment law attorney and your carrier for specific guidance.

## 1. Determine Grandfathered or Non-Grandfathered Status of Plan

*Note: A grandfathered plan is one that was in effect on March 23, 2010. If a plan loses its grandfathered status, it may no longer be exempt from certain PPACA requirements.*

- Evaluate whether any changes made to the group health plan with respect to benefits, costs, or other changes result in [loss of grandfathered status](#).
- To maintain grandfathered status, a plan must include a statement, whenever a summary of benefits under the plan is provided to participants and beneficiaries, that the plan believes it is a grandfathered health plan according to the Affordable Care Act and must provide contact information for questions and complaints (model notice [available here](#)).

## 2. Review Plan Documents for Required Changes

*Note: Unless otherwise noted, plan documents should be amended to reflect changes effective as of the first day of the first plan year beginning on or after September 23, 2010. Please consult with your carrier for additional details or if you have questions regarding these amendments.*

- If the plan offers dependent coverage, the [coverage is available until a child reaches the age of 26](#). (Prior to 2014, grandfathered plans do not have to comply with this requirement for adult children who have another offer of employer-based coverage.)
- [Lifetime dollar limits](#) on "essential health benefits" have been eliminated.
- [Annual limits](#) on "essential health benefits" are being phased out according to the limits set by law (no lower than \$750,000 for plans issued or renewed beginning Sept. 23, 2010). Some plans may be eligible for a [waiver from the rules](#) concerning annual dollar limits.
- Any [pre-existing condition exclusions for children under age 19](#) have been eliminated.
- Effective Jan. 1, 2011, reimbursements for over-the-counter drugs from HSAs, Archer MSAs, FSAs or HRAs qualify [only if the medication is purchased with a prescription \(except insulin\)](#). An increased penalty of 20% applies for nonqualified distributions from a HSA or Archer MSA.
- Except for grandfathered plans, [coverage of recommended preventive services](#) is provided with no cost-sharing requirements, such as co-payments or deductibles.
- Except for grandfathered plans, [patient protections](#) related to choosing a primary care provider, access to OB/GYN care, and coverage of emergency services are included as appropriate.
- Except for grandfathered plans, an effective [internal and external appeals process](#) for coverage determinations and claims is in place.

### 3. Implement Special Enrollment Opportunities

*Note: The following special enrollment opportunities must be provided, and coverage must take effect, not later than the first day of the first plan year beginning on or after September 23, 2010.*

- 30-day [special enrollment opportunity](#) for individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before attainment of age 26.
- 30-day [special enrollment opportunity for individuals](#) whose coverage ended by reason of reaching a lifetime limit under the plan.

### 4. Provide Participant Notices

*Note: Unless otherwise noted, the following notices should be provided to plan participants no later than the first day of the first plan year beginning on or after September 23, 2010.*

- Opportunity to enroll in connection with extension of dependent coverage to age 26 (model notice [available here](#)).
- Lifetime limit no longer applies and opportunity to enroll (model notice [available here](#)).
- Notice of patient protections, if applicable (model notice [available here](#)). Distribute whenever a participant is provided with a summary plan description or other similar description of benefits under the plan, and no later than the first day of the plan year starting on or after Sept. 23, 2010.
- Notice of available [internal and external appeals processes](#) and the availability of any consumer assistance with respect to such processes, if applicable.
- It is also prudent to provide participants notice of the [new restrictions on reimbursement of costs for over-the-counter drugs](#) in relation to HSAs, Archer MSAs, FSAs and HRAs, prior to Jan. 1, 2011.

### 5. Other Considerations

- Review and amend Section 125 (cafeteria plan) documents as necessary to reflect any changes. If eligible, consider whether your company could benefit from establishing a [simple cafeteria plan](#).
- Determine whether your company qualifies for the [small business health care tax credit](#).
- Maintain compliance with the [break time requirement for nursing mothers](#), if applicable.
- Consider necessary changes to your payroll system in preparation for compliance with the [requirement to report employer-provided health coverage](#) on Form W-2. Reporting by employers is optional in 2011.\*
- Be prepared for compliance requirements to change. Stay up-to-date on the latest information regarding health care reform by visiting [HealthCare.gov](#).

*\*Please note that employers in some states may be required to report the cost of employer-provided health benefit coverage for adult children on the employee's Form W-2 in 2011 for state income tax purposes. Employers should contact their [state revenue department](#) for reporting requirements related to coverage for adult children.*

Checklist created and provided by: [HR 360, Inc.](#)

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