



Since 1976

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Patient Protection and Affordable Care Act (PPACA)

Implementations for 2014

Expanded Medicaid Coverage

Expands Medicaid to all individuals not eligible for Medicare under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% FPL and provides enhanced federal matching payments for new eligibles. Implementation: January 1, 2014 (states have the option to expand coverage to childless adults beginning April 1, 2010)

Presumptive Eligibility for Medicaid

Allows all hospitals participating in Medicaid to make presumptive eligibility determinations for all Medicaid-eligible populations. Implementation: January 1, 2014

Individual Requirement to Have Insurance

Requires U.S. citizens and legal residents to have qualifying health coverage (there is a phased-in tax penalty for those without coverage, with certain exemptions). Implementation: January 1, 2014

Free Choice Vouchers

Requires employers that offer coverage to their employees to provide a free choice voucher to certain employees. Vouchers are available to employees with incomes less than 400% of the federal poverty level whose share of the premium under the employer-sponsored coverage exceeds 8% but is less than 9.8% of their income and who choose to enroll in a plan in a health insurance Exchange. Implementation: January 1, 2014

Health Insurance Exchanges

Creates state-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges, administered by a governmental agency or non-profit organization, through which individuals and small businesses with up to 100 employees can purchase qualified coverage. Exchanges will have a single form for applying for health programs, including coverage through the Exchanges and Medicaid and CHIP programs. Implementation: January 1, 2014

Health Insurance Premium and Cost Sharing Subsidies

Provides refundable and advance able tax credits and cost sharing subsidies to eligible individuals. Premium subsidies are available to families with incomes between 133-400% of the federal poverty level to purchase insurance through the Exchanges, while cost sharing subsidies are available to those with incomes up to 250% of the poverty level. Implementation: January 1, 2014

Guaranteed Availability of Insurance

Requires guarantee issue and renewability of health insurance regardless of health status and allows rating variation based only on age (limited to a 3 to 1 ratio), geographic area, family composition, and tobacco use (limited to 1.5. to 1 ratio) in the individual and the small group market and the Exchanges. Implementation: January 1, 2014

No Annual Limits on Coverage

Prohibits annual limits on the dollar value of coverage. Implementation: January 1, 2014

Essential Health Benefits

Creates an essential health benefits package that provides a comprehensive set of services, limiting annual cost-sharing to the Health Savings Account limits (\$5,950/individual and \$11,900/family in 2010). Creates four categories of plans to be offered through the Exchanges, and in the individual and small group markets, varying

based on the proportion of plan benefits they cover. Implementation: January 1, 2014

Multi-State Health Plans

Requires the Office of Personnel Management to contract with insurers to offer at least two multi-state plans in each Exchange. At least one plan must be offered by a non-profit entity and at least one plan must not provide coverage for abortions beyond those permitted by federal law. Implementation: January 1, 2014

Temporary Reinsurance Program for Health Plans

Creates a temporary reinsurance program to collect payments from health insurers in the individual and group markets to provide payments to plans in the individual market that cover high-risk individuals. Implementation: January 1, 2014 through December 31, 2016

Basic Health Plan

Permits states the option to create a Basic Health Plan for uninsured individuals with incomes between 133-200% FPL who would otherwise be eligible to receive premium subsidies in the Exchange. Implementation: January 1, 2014

Employer Requirements

Assesses a fee of \$2,000 per full-time employee, excluding the first 30 employees, on employers with more than 50 employees that do not offer coverage and have at least one full-time employee who receives a premium tax credit. Employers with more than 50 employees that offer coverage but have at least one full-time employee receiving a premium tax credit, will pay the lesser of \$3,000 for each employee receiving a premium credit or \$2,000 for each full-time employee, excluding the first 30 employees. Implementation: January 1, 2014

Medicare Advantage Plan Loss Ratios

Requires Medicare Advantage plans to have medical loss ratios no lower than 85%. Implementation: January 1, 2014

Wellness Programs in Insurance

Permits employers to offer employees rewards of up to 30%, potentially increasing to 50%, of the cost of coverage for participating in a wellness program and meeting certain health-related standards; establishes 10-state pilot programs to permit participating states to apply similar rewards for participating in wellness programs in the individual market. Implementation: Changes to employer wellness plans effective January 1, 2014; 10-state pilot programs established by July 1, 2014

Fees on Health Insurance Sector

Imposes new fees on the health insurance sector. Implementation: January 1, 2014

Medicare Independent Payment Advisory Board Report

Establishes an Independent Advisory Board, comprised of 15 members, to submit legislative proposals containing recommendations to reduce the per capita rate of growth in Medicare spending if spending exceeds a target growth rate. Implementation: First recommendations due January 15, 2014 (Funding available October 1, 2011)

Medicare Disproportionate Share Hospital Payments

Reduces Medicare Disproportionate Share Hospital (DSH) payments initially by 75% and subsequently increases payments based on the percent of the population uninsured and the amount of uncompensated care provided. Implementation: October 1, 2014

Medicaid Disproportionate Share Hospital Payments

Reduces states' Medicaid Disproportionate Share Hospital (DSH) allotments and requires the Secretary to develop a methodology for distributing the DSH reductions. Implementation: October 1, 2014

Medicare Payments for Hospital-Acquired Infections

Reduces Medicare payments to certain hospitals for hospital-acquired conditions by 1%. Implementation: Fiscal Year 2015