



# Health Care Reform (ACA): An Overview

**Presented By: McHenry County Human Resources**

# Affordable Care Act



© Original Artist  
Reproduction rights obtainable from  
[www.CartoonStock.com](http://www.CartoonStock.com)



search ID: aban1070

**"Yes, we have 'All You Need To Know About The Health Care Legislation' but it is part of a twelve volume set."**

# Affordable Care Act

## Key Changes Already Implemented 2010-2013

- No-Cost Sharing for Preventative Care in Network (immunizations, screenings, etc)
- No Lifetime Dollar Limits on Essential Benefits (hospitalization, outpatient services, maternity care, emergency care, etc.)
- Dependent Coverage to 26
- No Pre-Existing Conditions for Dependents Under the Age of 19
- W2 Reporting for Health Coverage



# Affordable Care Act 2014



- Health Insurance Exchange Available to Individuals (available 10/1/2013)
- Employer Mandate– large employers with 50 or more full time employees must offer affordable insurance or pay a penalty (known as “Play or Pay”)
  - Full Time Employees Work 30 Hours/Week or More
- Employers Offering Health Insurance Coverage Must Offer to Dependents
  - Definition of Dependent is Children Up to the Age of 26
  - Spouses are Not Considered a Dependent
- Affordable insurance is when an employee-only coverage does not exceed 9.5% of an employee’s W-2 wages

# Affordable Care Act 2014



- No Pre-Existing Condition Limits for Everyone
- No Enrollment Waiting Period Over 90 Days
- No Annual Maximum on Essential Benefits

# Affordable Care Act 2018 - Looking Forward



- “Cadillac Tax” Excise Tax – 40% tax levied on health coverage with annual premium exceeding \$10,200 for individual coverage/\$27,500 for families
- McHenry County’s PPO plan forecasted to reach this amount prior to 2018
- Proactive Approach: Develop and offer both a modified High Deductible PPO plan and HSA or HRA Plan

# Affordable Care Act Fees



- **Patient-Centered Outcome Research Institute (expires 2019)**
  - \$1 or \$2 per covered person per year
  - County Approximate 2,500 covered persons
  - County's Estimated Cost Per Year: \$2,500 - \$5,000
  - Funds used to promote the use of evidence-based medicine by disseminating comparative clinical effectiveness research findings
- **Transitional Reinsurance Fee (expires 2016)**
  - Will be \$63 per covered person
  - County's Estimated Cost:
    - First Year (2014): \$157,500
    - Second Year (2015) 75%: \$118,125
    - Third Year (2016) 50%: \$78,750
  - Designed to help stabilize premiums in the individual health insurance market for those with pre-existing conditions

# Affordable Care Act Fees



- Health Insurance Providers Fee
  - Fees charged to persons in the business of providing health insurance for U.S. health risks
  - Fee varies based on size
  - Paid by insurers, however, insured plans should expect these fees to be passed along (anticipate a 1% - 2% additional increase to premiums)
  - Uncertain with respect to self-insured plans

# Affordable Care Act Wellness



- **Workplace Wellness Programs**
  - Ensure every individual participating in a wellness program can receive full amount of any reward or incentive regardless of any health factor
- **Two Types of Wellness Programs**
  - Participatory Wellness Programs
  - Health-Contingent Wellness Programs

# Affordable Care Act Participatory Wellness Programs



- Programs that reimburse for the cost of membership in a fitness center, programs that provide a reward to employees for attending monthly educational seminars, or programs that reward employees who complete a health risk assessment
- Comply with nondiscrimination requirements

# Affordable Care Act Health-Contingent Wellness Program



- Require individuals to satisfy a standard related to a health factor in order to obtain a reward
- Reward limited to 30% of the total cost of employee-only coverage (or 50% if the program is designed to prevent/reduce tobacco use)
- Available to ALL employees

# Affordable Care Act Wellness Program



- Wellness is one area McHenry County can help control health care costs
- McHenry County will be creating a 3 Year Strategic Wellness Program with the help of Corporate Benefits Consultant



**Human Resources**  
**815/334-4220**