



Benefit and Coverage Changes for 2014

WHAT BENEFIT AND COVERAGE CHANGES TAKE EFFECT IN 2014?

The Affordable Care Act (ACA), which was signed into law in March 2010, initiated health care reform with effective dates spread out over a period of several years. This ACA Alert is addressing the changes that will take effect for plans on or after January 1, 2014.

There are additional benefit and coverage initiatives – as well as updates to previously-issued provisions – that will become effective beginning on or after January 1, 2014. Some of those include the elimination of annual limits for both grandfathered and non-grandfathered plans, changes to health Flexible Spending Account limits, and mandated dependent coverage to age 26 for grandfathered plans.

The following is a listing of the ACA benefit provisions that become effective January 1, 2014. Some apply to either grandfathered (**GF**) or non-grandfathered (**NGF**) plans, while others are applicable to both.

Provision	Description	GF	NGF
Annual limits	No annual limits on essential health benefits	✓	✓
Pre-existing condition for exclusions	No pre-existing exclusions are permitted, regardless of age.	✓	✓
Dependent coverage to age 26	Coverage required, even if dependent qualifies under another employer's plan.	✓	✓
Waiting period	Plan sponsors of group health plans cannot have a benefit waiting period that exceeds 90 days.	✓	✓
Cost-sharing limitation	Out-of-pocket maximums, including deductible, copayments, and coinsurance, must not exceed a specified dollar amount. (For 2014, the maximum is \$6,350/\$12,700 for single/family coverage.)		✓
Approved clinical trials	Routine patient costs for clinical trials must be covered.		✓
Wellness programs	Plan sponsors can offer incentives up to 30 percent of the cost of coverage to an employee who enrolls in wellness programs, or 50 percent with a tobacco reduction or cessation program.	✓	✓
Wellness programs & minimum value	Plan sponsors cannot use the reduction in cost-sharing from participating in a wellness program to calculate "minimum value," with the exception of tobacco cessation programs.	✓	✓
Flexible Spending Account (FSA)	Maximum annual contribution is indexed to inflation beginning in 2014 (\$2,500 maximum in 2013).	✓	✓

HOW CAN INDEPENDENCE ADMINISTRATORS HELP?

As new or significantly revised regulations or guidance take effect, we will provide you with information and resources to help you understand how the regulations affect your health plan(s) and what your plan(s) must do to achieve compliance. To learn more about how Independence Administrators can support you in complying with the requirements of the Affordable Care Act, or if you have questions about your plan, please contact your Independence Administrators account representative.

Independence Administrators does not provide legal or tax advice. The final determination of whether the Plan Sponsor meets the requirements of the Affordable Care Act must be made by the Plan Sponsor in consultation with the employer's own legal counsel or tax advisor.