

April 2015

Regulatory Updates

Independence Administrators is here to help you navigate the changes

Regulatory Updates is an online news series designed to help you understand the changes resulting from the Affordable Care Act (ACA) and other regulatory changes and how they may affect your plan and plan members. We are committed to bringing you current regulatory information to help you make informed decisions.

IRS Issues Further Guidance, Seeks Comment on Cadillac Tax

The Internal Revenue Service and the Department of Treasury are seeking comment on several aspects of the impending Cadillac Tax, including what constitutes employer-sponsored coverage and different ways of determining the cost of applicable coverage. Starting in 2018, the Affordable Care Act will impose a 40 percent excise tax on high-cost group health plans.

The IRS and Treasury Department recently released further guidance related to the excise tax in [Notice 2015-16](#), seeking comment on the definition of applicable coverage, the determination of the cost of applicable coverage, and the application of the annual statutory dollar limit to the cost of applicable coverage.

In addition, the IRS and Treasury are seeking comment on whether on-site medical clinics should be considered applicable coverage in certain circumstances. The agencies are also studying whether to exercise regulatory authority to propose an approach under which self-insured limited scope dental and vision coverage that qualifies as an excepted benefit would be excluded from applicable coverage for the excise tax.

For information on submitting comments to the federal government by May 15, see the Request for Comments in Section VII in [Notice 2015-16](#).

Final Notice of Benefit and Payment Parameters Fact Sheet

The Department of Health and Human Services (HHS) provided a final Notice of Benefit and Payment Parameters [Fact Sheet for 2016](#). The fact sheet established standards for issuers and Marketplaces for 2016. The notice includes payment parameters for the 2016 benefit year, and proposes new standards.

The Fact Sheet notes in the Payment Parameters section, that HHS has finalized the maximum out-of-pocket cost sharing limitation for 2016 at \$6,850 for individuals and \$13,700 for family coverage.

In addition, HHS finalized a policy adopting a uniform definition for Habilitative services:

Habilitative services – HHS defines Habilitative Services and devices using the same definition of Habilitative Services from the [Uniform Glossary of Health Coverage and Medical Terms](#), beginning with the 2016 plan year.

Resources:

Previous alert topics on the [Affordable Care Act](#)
Previous issues of [Regulatory Updates newsletters](#)
Independence Administrators' [health care reform page](#)

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