

## HEALTHCARE REFORM: SPECIFIC IMPACT/RULES

*By Renée L. Rosenfeld, CEBS, SPHR*

Signed into law in March, the Patient Protection and Affordable Care Act (PPACA) covers 32 million people at an estimated cost of \$938 billion. This massive legislation (1,100 pages) will be rolled out over the next 9 years, and many of the statutes are yet to be defined. In the meantime, are you prepared to implement the healthcare reform initiatives with fast-approaching effective dates?

Here is a quick synopsis of the changes effective in 2011, perhaps even sooner if your health plan's effective date(s) kick in prior to 1/1/11.

**Adult children to age 26:** Health plans must extend child eligibility (but not necessarily the subsidy) to age 26. Dependents can be married, do not have to live at home, and do not have to be claimed on parents' income tax return.

**Maximums removed:** Health plans must eliminate lifetime and most annual dollar maximums as well as pre-existing conditions for children.

**Over the counter (OTC) drugs:** Employees in HSA, FSA and HRA accounts will no longer be reimbursed for OTC drugs unless the drug is prescribed by a physician.

**CLASS Act:** The Community Living Assistance Services and Supports program (CLASS) establishes a national, voluntary insurance program for purchasing community living services that is designed to expand options for people who become functionally disabled and require long-term help for their impairment. Employers may choose to support auto-enrollment and payroll deductions.

**HSAs non-QME:** The penalty for HSA withdrawals increases from 10% to 20% for non-qualified medical expenses.

**W-2 Reporting:** W-2s for 2011, to be delivered in January 2012, must report the value of benefits provided for each employee's health insurance coverage.

For additional information, contact your insurance carrier or broker today!

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