



## Summary of Changes to Health Care Reform—First Anniversary Edition

March 2011 marked the one-year anniversary of the [Affordable Care Act](#) being signed into law--and several requirements have changed since it was first enacted. The following summary provides a look at seven key changes to the provisions affecting employers and employer-sponsored group health plans that took place over the past year. Of particular significance, in case you missed it, was the **repeal of the "1099" reporting requirement** signed by the President in April.



### Repeal of Form 1099 Filing Requirement

**Changes Announced in April 2011:** The requirement that businesses report on Form 1099 all purchases of goods and services of \$600 or more annually is [repealed](#).

### Elimination of Free Choice Voucher Requirement

**Changes Announced in April 2011:** The requirement that employers offering health insurance coverage provide "free choice" vouchers to certain employees for purchasing health care through state-based Exchanges, beginning in 2014, is repealed as part of the [Department of Defense and Full-Year Continuing Appropriations Act of 2011](#).

### Early Retiree Reinsurance Program Stops Accepting New Applications

**Changes Announced in April 2011:** Effective May 6th, 2011, the Early Retiree Reinsurance Program (ERRP) will [no longer accept new applications](#) due to the availability of funds.

The Affordable Care Act provided \$5 billion in financial assistance to help employers maintain coverage for early retirees age 55 and older not yet eligible for Medicare through this temporary reinsurance program designed to last until 2014 (when coverage may be purchased in state-administered exchanges).

### Relief from Reporting Employer-Sponsored Health Coverage on Form W-2

**Changes Announced in March 2011:** The IRS provided further relief for smaller employers filing fewer than 250 W-2 forms by making the requirement to report the cost of coverage under an employer-sponsored group health plan on Form W-2 [optional for them at least for 2012](#) (and continuing until further guidance is issued).

This requirement, set to begin in tax year 2011, was previously made [optional for all employers in 2011](#) last fall.

### Enforcement Grace Periods for Select Internal Claims and Appeals Procedures

**Changes Announced in March 2011:** The Department of Labor [further extended the enforcement grace period](#) for select new standards for internal claims and appeals processes until plan years beginning on or after Jan. 1, 2012.

The Affordable Care Act required non-grandfathered group health plans beginning a new plan year on or after Sept. 23, 2010, to implement an effective internal appeals process for coverage determinations and claims. The enforcement of certain standards was [previously delayed](#) until July 1, 2011.

### Nondiscrimination Requirements Delayed for Insured Group Health Plans

**Changes Announced in December 2010:** The IRS [delayed the requirement](#) that non-grandfathered insured group health plans comply with the prohibition on discrimination in favor of highly compensated individuals, for plan years beginning on or after Sept. 23, 2010, until after regulations or other

administrative guidance of general applicability has been issued (so any sanctions for failure to comply currently do not apply).

**Group Health Plans May Change Health Insurance Issuers Without Losing Grandfather Status**

**Changes Announced in November 2010:** An [amendment](#) to the original interim final regulations allows employers to offer the same level of coverage through a new issuer and remain grandfathered, so long as the change does not result in significant cost increases, a reduction in benefits, or other prohibited changes.

Previously, one of the ways a group health plan could lose its grandfather status was if the employer changed issuers—switching from one insurance company to another.

Sincerely,

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