

Healthcare Reform Impact on Employers

PROVISION ¹	SUMMARY	TIMING	OASIS SUPPORT
SMALL BUSINESS TAX CREDIT	<p>Targeted Business Size: Less than 25 full-time employees with an average wage below \$50,000.</p> <p>Key Provisions: Maximum amount of the credit is worth up to 35% of a small business' premium costs. On January 1, 2014, the rate increases to 50%.</p>	2010	Oasis will conduct a review of all clients and advise them if they might be eligible for this credit. Supporting payroll documentation will be provided as required to assist in capturing tax credits.
MANDATED BENEFITS	<p>Targeted Business Size: All.</p> <p>Key Provisions: Pre-existing conditions restriction eliminated for children under age 19. Lifetime maximums must be eliminated.</p>	2010	The Oasis plan will be amended to comply with this requirement effective October 1, 2010.
W-2 REPORTING	<p>Targeted Business Size: All.</p> <p>Key Provisions: Employers must report the aggregate value of employer-provided coverage that is taken into account for purposes of the excise tax on high value health coverage.</p>	2011	The Oasis payroll system will be amended to comply with this requirement.
HEALTH FSA LIMITS	<p>Targeted Business Size: All.</p> <p>Key Provisions: Employee contributions to FSA are limited to \$2,500/year.</p>	2013	The Oasis plan will be amended to comply with this requirement effective January 1, 2013.
NEW PLAN DISCLOSURE OBLIGATIONS	<p>Targeted Business Size: All.</p> <p>Key Provisions: Plan sponsors must supply participants at enrollment or re-enrollment, a new form of plan summary that must include information on benefits exclusions and cost-sharing requirements.</p> <p>Penalty for noncompliance: \$1,000 for each failure.</p>	Within 24 months after enactment	Oasis will supply the required disclosures provided the client participates in an Oasis-sponsored medical plan.
	<p>Key Provisions: Employers must provide written notice regarding the existence of the Insurance Exchange and that the employee might qualify for subsidies.</p>	March 1, 2013	
	<p>Key Provisions: Plan sponsors will be required to provide an annual statement to the government and covered individuals reflecting the months during the calendar year for which the individual had "minimum essential coverage."</p> <p>Penalty for noncompliance: \$50 for each missed statement to an employee to a maximum of \$100,000.</p>	2014	
FREE RIDER SURCHARGE	<p>Targeted Business Size: An average of 50 or more full-time employees.</p> <p>Key Provisions:</p> <ul style="list-style-type: none"> Plan design is expected to pay at least 60% of allowed charges. Employee contribution must not exceed 9.8% of employee's Household income. Voucher² Requirement if employee contribution is more than 8% and the employee's household income is less than or equal to 400% of the Federal Poverty Level. <p>Penalty for noncompliance: If an employer offers some coverage but it's not "qualifying" and "affordable", then the employer pays a maximum annual penalty of \$3,000 per full-time employee who receives a subsidy through an Insurance Exchange. If an employer does not offer coverage at all, the maximum annual penalty is \$2,000 times total number of full-time employees.</p>	2014	The Oasis-sponsored medical plan designs will be amended to comply with this regulation.
AUTOMATIC ENROLLMENT	<p>Targeted Business Size: Employers with 200 employees or more.</p> <p>Key Provisions: Employers must automatically enroll new, full-time employees in health plan. Employees may opt out.</p>	2014, after issuance of regulation	The Oasis payroll system will automatically enroll eligible employees in the lowest cost plan.
MANDATED BENEFITS	<p>Targeted Business Size: All.</p> <p>Key Provisions: Plans may not impose a waiting period of more than 90 days.</p> <p>Penalty for noncompliance: Employers with 50 or more employees will be fined for waiting periods between 60-90 days (\$600 per full-time employee in waiting period).</p>	2014	The Oasis payroll system will enroll eligible employees as directed by the employer.

¹This chart is a summary of key provisions in Healthcare Reform. Contact Oasis Outsourcing for additional information.

²To be used to purchase health coverage through the Insurance Exchange.

This chart was updated on May 20, 2010

