

# 2012 health care reform checklist



## A brief to-do list for employers

When it comes to health care reform, there's a lot to know – and a lot to do. To make it a little less overwhelming, we've created this brief to-do list for you.

This list focuses only on key items employers may need to act on in 2012. If you want to look further out, or if you want more details on any of these items, visit our website at [anthem.com/ca/healthcarereform](http://anthem.com/ca/healthcarereform). Or chat with your broker or account representative. We're here to help you prepare for change and make decisions that fit your organization and your employees needs.

	<i>If you ...</i>	<i>You will or may need to ...</i>
<input checked="" type="checkbox"/> <b>Comparative effectiveness research plan fees</b>	Are the sponsor of a self-insured plan	Get ready to pay comparative effectiveness research plan fees. These fees start with your first renewal after October 1, 2012. The fee is \$2 per year (\$1 in the first year) multiplied by the average number of covered lives.
<input checked="" type="checkbox"/> <b>Grandfathering/ plan benefits</b>	Have grandfathered plans now and want to stay grandfathered	Talk with your broker or account representative to find out if grandfathering will continue to be an option for you. Also, be sure to discuss any benefit or contribution changes with your broker or account executive. You'll want to make sure they don't affect your ability to stay grandfathered. For more details about changes that would cause a loss of grandfathered status, visit <a href="http://anthem.com/ca/healthcarereform">anthem.com/ca/healthcarereform</a> . Also, if your plan is self-insured, provide any required notices to employees (such as the grandfathered plan or annual limit disclosures).
	Have grandfathered plans now and plan to move to nongrandfathered plans	Make sure your plans include all the additional rights and benefits health care reform requires for nongrandfathered plans. These include enhanced preventive care, a revised appeals process and no prior authorization or higher cost-sharing for out-of-network emergency services.* Also, if your plan is fully insured, be sure it doesn't violate the law's nondiscrimination rules.
	Already have nongrandfathered plans	Make sure to update your benefits materials to reflect additional coverage for the women's preventive health services. Under the enhanced preventive care that health care reform requires for nongrandfathered plans, these services must be covered 100% in-network for plan years starting on or after August 1, 2012.
<input checked="" type="checkbox"/> <b>Material modification notice</b>	Are the sponsor of a self-insured plan	Get ready to provide 60-day notice before making material modifications to your health plan during the plan year. The duty can be satisfied by providing either a separate notice describing the material modification or an updated coverage summary that reflects the change. This requirement starts March 23, 2012. It does not apply to renewals of coverage.
<input checked="" type="checkbox"/> <b>Medical loss ratio (MLR) rebates</b>	Are a fully insured group that qualifies for a rebate due to the MLR rules in the health care reform law	Distribute rebates to eligible enrollees by August 1, 2012. If your group is eligible for a rebate for the 2011 calendar year, we will send a check to you 4-6 weeks before the August 1 deadline. We'll also provide an online calculator and other materials to help you with this process. For more details about how we'll issue MLR rebates if we need to do so, go to <a href="http://anthem.com/ca/healthcarereform">anthem.com/ca/healthcarereform</a> .
<input checked="" type="checkbox"/> <b>Small business tax credit</b>	Have fewer than 25 employees and their average annual compensation is less than \$50,000	Claim the tax credit by submitting Form 8941 (Credit for Small Employer Health Insurance Premiums) with your annual tax filing. Go to <a href="http://anthem.com/ca/healthcarereform">anthem.com/ca/healthcarereform</a> to get more details and calculate your potential credit.

\*Your plans may already include these features. While not all health care reform changes are required in grandfathered plans, in some cases our company has decided to adopt health care reform provisions in both grandfathered and nongrandfathered plans. According to the U.S. Department of Health and Human Services (HHS), adoption of these additional provisions has no impact on the grandfathering status of those plans. For specific benefit plan impacts of health care reform, please refer to plan materials provided to you.

# 2012 health care reform checklist continued

	<i>If you ...</i>	<i>You will or may need to ...</i>
<input checked="" type="checkbox"/> <b>Spending account changes</b>	Offer health care spending accounts (health care FSA, HRA or HSA)	<p>Make sure your employee benefit materials reflect rules that took effect on January 1, 2011:</p> <ul style="list-style-type: none"> <li>• Prescription required for reimbursement for over-the-counter medications</li> <li>• 20% tax for nonqualified HSA withdrawals</li> </ul> <p>Update materials to reflect a rule that takes effect on January 1, 2013:</p> <ul style="list-style-type: none"> <li>• Health care FSA contributions limited to \$2,500 per year (the limit will be adjusted for the cost of living every year)</li> </ul>
<input checked="" type="checkbox"/> <b>Summary of coverage and benefits</b>	Are the sponsor of a self-insured plan	Get ready to provide a health care reform compliant summary of benefits and coverage (SBC) as well as a standardized glossary of health care and insurance terms. This requirement starts March 23, 2012. Go to <a href="http://anthem.com/ca/healthcarereform">anthem.com/ca/healthcarereform</a> for details.
<input checked="" type="checkbox"/> <b>W-2 reporting</b>	Issue 250 or more W-2 forms	Make sure your payroll department or vendor is prepared to report the cost of employer-sponsored health benefits on W-2s. For employers who issue 250 or more W-2 forms, this is required for the 2012 tax year (W-2s issued in January 2013). It's required a year later for other employers.