

WHAT YOU NEED TO KNOW



Self-Funded Plans and the ACA

Updated November 2018

The ACA brings numerous responsibilities and options to employers. Below is a summary of the ACA provisions that apply to group health plans and whether the provision applies to self-funded plans.

Provisions Effective 2016 or Later

Requirement	Applies to Small Group Plans (less than 50 employees)	Applies to Mid-size Group Plans (50-99 employees)	Applies to Large Group Plans (100 or more employees)	Effective Date
Report to IRS and employees if providing minimum essential coverage	Yes	Yes	Yes	First report due 2/1/2016
Report to IRS and employees regarding offers of affordable, minimum value coverage to full-time employees	No	Yes	Yes	First report due 2/1/2016
Cadillac tax	Yes	Yes	Yes	1/1/2022
Quality of care reporting*	Yes	Yes	Yes	TBD

Provisions Effective 2015

Requirement	Applies to Small Group Plans (less than 50 employees)	Applies to Mid-size Group Plans (50-99 employees)	Applies to Large Group Plans (100 or more employees)	Effective Date
Penalties apply if don't offer coverage to employees who average 30 or more hours/week	No	2016 ^{#+}	Yes – plan year beginning on or after 1/1/2015 ⁺	Varies
Penalties apply if don't offer affordable, minimum value (60%) coverage to employees who average 30 or more hours per week	No	2016 ^{#+}	Yes – plan year beginning on or after 1/1/2015 ⁺	Varies
Nondiscrimination (highly compensated)	Yes	Yes	Yes	1988

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Provisions Effective 2010 – 2014

Requirement	Applies to Small Group Plans (less than 50 Employees)	Applies to Mid-size Group Plans (50-99 Employees)	Applies to Large Group Plans (100 or more Employees)	Effective Date
Lifetime dollar limits prohibited on essential health benefits (EHBs)	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
Annual dollar limits restricted on EHBs	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
Must cover dependents to age 26*	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
First dollar coverage for preventive care*	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
Pre-existing condition exclusion not permitted on children	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
Patient protections on choice of provider and emergency room*	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
Claims and appeals requirements*	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
Rescissions of coverage generally prohibited	Yes	Yes	Yes	Plan year beginning on or after 9/23/2010
Small employer tax credit available	No	No	No	2010 tax year
Restrictions on covering over-the-counter drugs	Yes	Yes	Yes	Tax year beginning on or after 1/1/2011
Medical loss ratio (MLR) rebates must be distributed	Not applicable	Not applicable	Not applicable	8/1/2012
Summaries of Benefits and Coverage (SBCs) required	Yes	Yes	Yes	First open enrollment or plan year on or after 9/23/2012
Health flexible spending account (FSA) limited to \$2,500 (indexed: \$2,550 for 2015, \$2,550 for 2016, \$2,600 for 2017, \$2,650 for 2018, \$2,700 for 2019)	Yes	Yes	Yes	Plan year beginning on or after 1/1/2013
W-2s must include the cost of health coverage	No	No	Yes, if issued 250 W-2s in prior calendar year	2012 tax year (W-2s issued January 2013)
PCORI fee due	Yes	Yes	Yes	Plan year beginning after 10/1/2012
Exchange notices due	Yes	Yes	Yes	10/1/2013
Inquiries from exchanges to employers	Yes	Yes	Yes	October 2013
Eligibility waiting period maximum of 90 days	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Pre-existing condition exclusion not permitted on anyone	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Annual dollar limits prohibited on EHBs	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014

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Requirement	Applies to Small Group Plans (less than 50 Employees)	Applies to Mid-size Group Plans (50-99 Employees)	Applies to Large Group Plans (100 or more Employees)	Effective Date
Protections for those in clinical trials*	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Dependent to age 26 exception for grandfathered plans expires	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Modified community rating applies	No	No	No	Plan year beginning on or after 1/1/2014
EHBs must be offered	No	No	No	Plan year beginning on or after 1/1/2014
Out-of-pocket may not exceed \$6,350/\$12,700 in 2014, \$6,600/\$13,200 in 2015, \$6,650/\$13,700 in 2016, \$7,150/\$14,300 in 2017, \$7,350/\$14,700 in 2018, \$7,900/\$15,800 in 2019*	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Must meet metal levels (60%, 70%, 80%, 90%)	No	No	No	Plan year beginning on or after 1/1/2014
Guaranteed issue and renewal apply	No	No	No	Plan year beginning on or after 1/1/2014
Single risk pool	No	No	No	Plan year beginning on or after 1/1/2014
SHOP exchange available	No	No	No	Plan year beginning on or after 1/1/2014
Revised wellness program rules	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Health reimbursement arrangements (HRAs), except Qualified Small Employer Health Reimbursement Arrangements, must integrate with a group medical plan	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Health FSA must qualify as an "excepted" benefit	Yes	Yes	Yes	Plan year beginning on or after 1/1/2014
Health insurer provider tax (indirect obligation)	No	No	No	2014
Transitional reinsurance fee	Yes	Yes	Yes	Reporting due Dec. 5, 2014; first fee due Jan. 15, 2015

* Does not apply in whole or part to grandfathered plans

For an employer with 50-99 employees in 2014 to qualify for the delay to 2016, the employer must not have reduced the size of its workforce or the overall hours of service of its employees so that it falls below 100 full-time and full-time equivalent employees unless there is a change in its business for the period of February 9, 2014 through December 31, 2014. It also must not have materially reduced its contribution level, reduced plan benefits below minimum value, or reduced the classes of employees or dependents eligible for coverage from what was in place on February 9, 2014.

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+ An employer that had a non-calendar year plan did not need to comply at the start of the 2015 plan year if it had a non-calendar year plan on December 27, 2012, did not move the plan year to a later month in the year, offered affordable and minimum value coverage to most employees as of the start of the 2015 plan year, and either one quarter of its total employees or one third of its full-time employees were covered on February 9, 2014, or one half of its total employees or one third of its full-time employees were offered coverage during the last open enrollment before February 9, 2014. An employer that had a non-calendar year plan that was eligible for the 2015 transition relief was also eligible for transition relief for any calendar months in 2016 that fell within the 2015 plan year.

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