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Famous Quotes

Change is the law of life. And those who look only to the past or present are certain to miss the future.

John F. Kennedy (1917-1963) Thirty-fifth President of the USA

Affordable Care Act for Employers - Key Features

March, 2013

Welcome to our first edition of the Changing World of Healthcare.

As we receive updates on the new healthcare act, we will provide you with information that may be of interest to you.

Please feel free to call us if you have any questions.

Group Health Plan Waiting Periods

Regardless of the size of your employer group, waiting periods may not exceed 90 days.

200 or more Employees

Employers with more than 200 employees must automatically enroll employees into health insurance plans offered by the employer. Employees may opt out of coverage.

Fully Insured Health Plans Sponsored by Employers with 100 or Less Employees

- The deductible under the plan shall not exceed
 - (i) \$2,000 in the case of a plan covering a single individual; and
 - (ii) \$4,000 in the case of any other plan.

The amounts under clauses (i) and (ii) may be

The only thing we know about the future is that it will be different.

Peter F. Drucker (1909-2005) American writer and management consultant.

Any change, even for the better, is always accompanied by drawbacks and discomforts.

Arnold Bennett (1867-1931) English novelist .

increased by the maximum amount of reimbursement which is reasonably available to a participant under a flexible spending arrangement.

- Minimum Essential Health Benefit coverage must be provided including:

Ambulatory Patient Services, Emergency Services, Hospitalization, Maternity and Newborn Care, Mental Health and Substance Use Disorder Services, Rehabilitative and Habilitative Services and Devices, Laboratory Services, Preventive and Wellness Services, Prescription Drugs, Chronic Disease Management, Pediatric Services, including Oral (Dental) and Vision Care.

Employers with 50 or More Full Time Equivalent Employees

must provide affordable health insurance coverage or pay a penalty if an employee receives a premium tax credit or cost sharing subsidy in the Health Insurance Exchange that will be established in Florida.

[Please see the attached Employer Penalty Flowchart.](#)

Small Business Tax Credit

Small employers with less than 25 full time equivalent employees (FTEs) and average annual wages per FTE of less than \$50,000:

Phase I: For tax years 2010 through 2013, a tax credit of up to 35% of the employer's contribution toward employee premium cost if the employer contributes at least 50% of employee premium cost. The full credit 35% will be available to employers with 10 or fewer FTEs and average annual wages of less than \$25,000 per employee. The credit phases-out as firm size and average wage increases. Tax-exempt small businesses meeting these requirements are eligible for tax credits of up to 25% of the employer's contribution toward the employee's health insurance premium.

Phase II: For tax years 2014 and later, for eligible small businesses that purchase coverage through the state Insurance Exchange, a tax credit of up to 50% of the employer's contribution toward employee premium cost. This credit will be available for two years.

The full 50% credit will be available to employer's with 10 or fewer FTEs and average annual wages of less than \$25,000. The credit phases-out as the firm size and average wage increases.

Tax-exempt small businesses meeting these requirements are eligible for tax credits of up to 35% of the employer's contribution toward the employee's health insurance premium.

Self-Funded Health Plan Affordable Care Act Exemptions

- Self insured plans are not required to provide coverage with minimum essential benefits.
- Individual and small-group plans are required to participate in a risk-adjustment system. Self-insured plans are exempt.
- Self-insured plans are not subject to medical loss ratio requirements and premium increase review.
- Starting in 2014, health insurers are required to pay an annual fee to be calculated by the Secretary of Health & Human Services, but self-insured plans do not have to pay this fee.

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