

## HEALTHCARE REFORM AND HOW IT AFFECTS YOU

Our company wants to make sure you know what we know when it comes to healthcare reform. Following is a basic guide to the changes and a timeline:

### **The following changes will take effect on 9-23-10 or at next renewal.**

- Enrolled Dependents can be kept on coverage to age 26.\*
- No preexisting Condition Exclusions for enrollees up to age 19
- No lifetime limits on Benefits
- Preventive benefits to be covered with no cost sharing
- High risk pools for those who cannot qualify for individual coverage are to be established by each state.

\*Most carriers are already allowing enrolled dependent children to stay on policy at end of school year. We will let you know how this affects current uncovered dependents as the law becomes clearer.

### **The following changes will take effect on January 2011**

- All employers must include on the employees W2's the aggregate cost of benefits. The amount reported is not taxable.
- Over the counter drugs will no longer be reimbursable under HSA's, medical FSA's and HRA's.
- A public Long Term Care program begins. Details will follow as it becomes more clear.

### **There are no major changes for 2012.**

### **The following changes will take effect January 2013**

- Maximum annual amount employee can contribute to a Flexible Spending Account is \$2500.
- The threshold for the itemized deduction for unreimbursed medical expenses would be increased from 7.5% of AGI to 10% of AGI for regular tax purposes.

### **The following changes take effect January 2014**

- All coverage's must be offered guarantee issue and must cover all a pre-existing conditions.
- Each state is required to create an Exchange to facilitate the sale of qualified benefit plans to individuals.
- Requires all American citizens and legal residents to purchase qualified health insurance coverage.

Questions?

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