

Health Care Reform

Overview

The Affordable Care Act was passed by Congress and then signed into law by the President on March 23rd, 2010. On June 28th, 2012, the Supreme Court rendered a final decision to uphold the health care law. This law implements sweeping changes to the nation's health care system that affects individuals, employer sponsored health plans, health care providers and other businesses that provide equipment and services to the health care industry.

The Law:

The law is actually composed of two parts:

The [Affordable Care Act](#) - "Patient Protection and Affordable Care Act" (PPACA)

The [Reconciliation Act](#) - "Health Care and Education Reconciliation Act of 2010"

These laws together are more commonly referred to as "Health Care Reform Law", "The Affordable Care Act", the "ACA" or "Obama Care".

The Main Purpose of the Law:

The main purpose of the law is to assure that all Americans have access to affordable health insurance.

The Affordable Care Act:

- Requires most Americans to purchase health insurance or potentially pay a penalty (for 2014 the penalty is the greater of \$95 per uninsured person or 1% of your household income over the filing limit. For individuals under the age of 18 the per person penalty is ½ the amount above. There is a family cap on the overall penalty)
- Ends pre-existing condition exclusions from health plans
- Defines certain categories of benefits referred to as "[Essential Health Benefits](#)" that must be included in individual and small group health plans
- Ends annual and lifetime limits on most insurance benefits
- Covers preventive care at no cost to the insured
- Establishes online health insurance "Marketplaces" or "Exchanges" where individuals and small businesses may shop & compare health insurance plans
- Provides premium assistance by way of tax credits, for individuals with income between 100% and 400% of the federal poverty level
- Provides cost sharing reductions for assistance with deductible and out-of-pocket expenses, for individuals with income between 100% and 250% of the federal poverty level
- Creates a "play or pay" penalty for businesses with 50 or more full time equivalent employees
- Imposes new reporting requirements on businesses.

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- Imposes new taxes & fees on insurance carriers which may be passed along to the consumer

The above is intended to be only a brief summary of the new health care law. The law will roll out over several years, with the main requirements starting in 2014.

Key Dates:

- October 1st, 2013 - Individual Marketplace Exchanges open
- December 15th, 2013 - The last day to enroll for coverage in the individual market with a January 1st, 2014 start date
- March 31st, 2014 - this is the final day for open enrollment in the individual market
- January 1st, 2014 - new health plans in the individual and group market must comply with the new Affordable Care Act laws
- January 1st, 2014 - all non-grandfathered health plans must comply with the new health care law on their plan renewal in 2014

Additional Resources:

- Official Government Web Site for the new health care law www.healthcare.gov
- Premium Subsidy Calculator <http://kff.org/interactive/subsidy-calculator/>
- The "Patient Protection and Affordable Care Act" <http://www.hhs.gov/healthcare/rights/law/patient-protection.pdf>
- The "Reconciliation Act" <http://www.hhs.gov/healthcare/rights/law/reconciliation-law.pdf>
- Essential Health Benefits <https://www.healthcare.gov/what-does-marketplace-health-insurance-cover/>

For more information please contact our office at 405.720.0333

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