



The Ohio Chamber of Commerce presents...

10 Things Employers Should Know About H.R. 3590 (Senate Bill)

10. **Restricts Consumer Driven Health Care Options**- The bill makes changes to flexible spending arrangements (FSA), health reimbursement arrangements (HRA) and health savings accounts (HSA). Specifically, the bill limits the amount a person can put into an FSA to \$2500 and increases the penalty for “non-qualified” medical expenses from 10% to 20% of the distributed amount.
9. **Forced Minimum Benefits**- creates an “essential benefits” package that limits deductibles to \$2,000 for individuals and \$4,000 for families in the small group market, and no out-of-pocket requirements can exceed those in Health Savings Accounts for individuals.
8. **Individual Mandate**- Requires ALL individuals to obtain health insurance or pay a penalty. Generally allows current coverage to qualify as being covered. Penalties are the greater of \$95 or .5% of income in 2014, \$495 or 1% of income in 2015, and \$750 or 2% of income in 2016.
7. **Fees galore**- Levies additional fees on pharmaceutical companies, medical device makers and health insurance companies. Starting in 2010, the pharmaceutical manufacturing industry will pay a **\$2.3 billion** flat fee, medical device makers will pay **\$2 billion** and health insurers will pay **\$6.7 billion**- allocated based on the market share of each company.
6. **Simple Cafeteria Plans**- establishes a new employee benefit cafeteria plan to be known as a Simple Cafeteria Plan allowing small businesses to provide tax-free benefits to their employees. Importantly, it includes self-employed individuals as qualified employees.
5. **Expands Medicaid**- expands the state Medicaid program to incomes up to 133% of the federal poverty limit (about \$30,000 for a family of 4). The federal government will “pay for” expanded coverage for the first 2 years, after that the states will pick up the tab. This could leave Ohio with a substantial new program to budget for in years to come.
4. **New government subsidies**- Tax credits for individuals and families likely making up to 400% of the federal poverty level, which computes to \$88,000 for a family of four.
3. **Tax on “Cadillac” health plans**- Levies an additional 40% tax on health plans that exceed \$8,500 for individuals and \$23,000 for families.
2. **Government Competition**- Requires the Government to contract with insurers to offer at least 2 multi-state plans in each state that meet the “essential benefits” requirements.
1. **Employer Requirements**- specifies that employers with more than 50 employees must pay a \$750 penalty (per full time employee) if they do not offer coverage and have at least one employee receiving premium assistance. Additionally, an employer with more than 50 employees that offers coverage that is deemed “unaffordable” or does not meet the standard for minimum essential coverage and has at least one full-time employee receiving the premium assistance will pay the lesser of \$3,000 for each of those employees receiving a credit or \$750 for each of their full-time employees total. Assesses new penalties for employers that impose a waiting period before employees can enroll in coverage.