



By September 2010¹

Change	Who is affected	Effective date
<p>Business tax credits. For businesses with 25 or fewer employees and average annual wages less than \$50,000. The tax credit will be up to 35% of the employer's contribution if the employer pays 50% of the premium cost.</p>	<p>FI</p>	<p>2010 tax year, with the credit increasing up to 50% in 2014. Beginning in 2014, the credit is only available for two tax years.</p>
<p>Pre-existing Condition Insurance Plan (PCIP). Temporary high-risk insurance plan for people with pre-existing conditions who have been uninsured for 6 months or more.</p>	<p>I</p>	<p>Launched July 1, 2010 – see pcip.gov</p>
<p>Children's pre-existing conditions. Prohibits pre-existing condition waiting periods for children younger than 19. This does not apply to grandfathered individual plans.</p>	<p>I FI SF</p>	<p>BCBSND implemented June 1, 2010</p>
<p>Coverage for young adults. Children may remain covered by a parent's plan until age 26.</p>	<p>I FI SF</p>	<p>BCBSND implemented June 1, 2010</p>
<p>Rescissions. Prohibits insurers from cancelling applications and contracts retroactively unless there is evidence of fraud or intentional misrepresentation.</p>	<p>I FI SF</p>	<p>Plan years starting 6 months after March 2010 enactment</p>
<p>Preventive care. Requires specified preventive care services and immunizations set by U.S. Preventive Services Task Force and others.</p>	<p>I FI SF</p>	<p>Plan years starting 6 months after March 2010 enactment</p>

2011 and Beyond

Change	Who is affected	Effective date
<p>Tax changes on health savings accounts. Federal tax for those who spend HSA money on ineligible medical expenses doubles to 20%.</p>	<p>I Individuals FI Fully insured groups SF Self-funded groups</p>	January 1, 2011
<p>Limits on medical flexible spending accounts. Contribution will be reduced from \$6,000 to \$2,500.</p>	<p>FI SF</p>	2013 tax year
<p>Itemized deductions. The threshold for deductions for out-of-pocket expenses will increase from 7.5% of adjusted gross income to 10%.</p>	<p>I FI SF</p>	January 1, 2013
<p>Medicare taxes. Rate will increase by 0.9% for individual earnings more than \$200,000 and family income more than \$250,000. For unearned income, there will be a 3.8% Medicare tax.</p>	<p>I FI SF</p>	January 1, 2013
<p>Individual mandate. Most people will be required to have qualified health insurance or pay a penalty.</p>	<p>I FI SF</p>	January 1, 2014
<p>Employer requirements. Companies with 50 or more employees will be subject to federal fees if any full-time employees qualify for federal subsidies.</p>	<p>FI SF</p>	January 1, 2014
<p>Federal subsidies. Subsidies will help people who meet income qualifications pay for health insurance or reduce their cost-sharing.</p>	<p>I FI SF In rare cases through Free Choice vouchers</p>	January 1, 2014
<p>Health insurance exchanges. Small businesses and individuals will be able to comparison shop for health insurance.</p>	<p>I FI</p>	January 1, 2014

This information reflects our best interpretation to date of health care reform legislation. Check back often for updates and revisions as more information becomes available. Also check with your benefits consultant to learn how health care reform will affect your specific situation.

¹These changes will be implemented in September 2010, or on an insurance plan's renewal date, whichever is later. Some plans will also be grandfathered, which will affect how and when some pieces of legislation are implemented.

Sources: Blue Cross and Blue Shield Association, USA Today