

State of Montana  
Employee Health Plan  
Impact of PPACA in the upcoming years

**2012 requirements or actions**

<input checked="" type="checkbox"/>	ERRP	Funding ran out in 2012
<input checked="" type="checkbox"/>	W-2 reporting	Must gather data and report in January 2013
<input checked="" type="checkbox"/>	60 day advance notice to members prior to any adverse changes.	
	Quality of care reporting	HHS guidance has not been issued

**2013 requirements or actions**

<input checked="" type="checkbox"/>	Grandfathered Status	Effective 1/1/2013 State loses its "Grandfathered" status
<input checked="" type="checkbox"/>	Preventive health service	Effective 1/1/2013 preventive services will be covered at 100% for both plans
<input checked="" type="checkbox"/>	Implement \$2,500 flex-spending maximum for medical only.	
<input checked="" type="checkbox"/>	Develop a uniform summary of benefits and coverage explanation.	
	Pay the comparative effectiveness fee/tax \$1 per person, increases to \$2 per person 2014.	Will be paid later in 2013

**2014 requirements or actions**

	Sledgehammer tax applies. Failure to offer minimum essential coverage to full-time employees.	Offering coverage includes offering each year to dependents (under 26 years old). Need to determine if we are doing an open enrollment. .25% to 2% increase in cost. (\$2,640,000)
	Tackhammer tax applies. Coverage offered is not affordable or does not meet the minimum value.	Does not appear to be a problem now.
	Medicaid eligibility expansion to 133% FPL (includes childless non-disabled adults)	To be considered by the 2013 legislature
	Health Insurance exchange for individuals and small business	Could be a better source for coverage of retirees. Small group reform postponed until 2015.
	Guarantee issue, no pre-existing conditions, maximum 90 days waiting period, no rate discrimination (experience rates), and reduced premium variance	Does not directly impact the State plan, but could make insurance more affordable for dependents and retirees
	Individual taxes and penalties for not being covered	No direct impact, possible indirect impact on delivery system and overall costs
	Coverage for routine costs associated with Clinical trials	No impact on the State plan
	All non-grandfathered and exchange plans must provide coverage for Essential benefits.	This doesn't apply to self-funded business. HHS has given the states the responsibility to develop essential benefits lists for each state.
	Reinsurance fee \$63 PEPEY	Estimated to \$1,040,000

**Beyond 2014**

	2017 large employers can participate in exchange	
	Cadillac plans 2018 \$10,200 single, \$27,500 family, indexed to inflation.	Current state share is \$733, state share would have to be \$850 to be considered Cadillac, or a 16% increase.