
The Affordable Care Act Washington's A-Lister

FPHRA Annual Conference

Presented by:
Kate Grangard, CPA, CFO/COO

July 25, 2016

Washington's ACA A-Listers



U.S. Equal Employment
Opportunity Commission



This Season's Features



Boomerang – the 1095 Saga Continues...

- Filing Statuses & TIN Validation Failures
- Draft 2016 Form 1095-C & 1094-C Forms



The List – Updated Summary of Benefits & Coverage



You've Got Mail- Section 1411 Certification Letters & Appeals



Boys Don't Cry - Section 1557 Rules for Government Employers



No Limit – PCORI, TRF & Other

This Season's Episodes

Notice 2015-87 – Updates from The Newsroom



Affordability Busters - Notice 2015-87 Affordability Update

- Affordability for Wellness Plan
- Opt Out Benefit Update
- HRA Credits



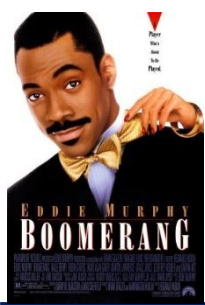
The Evergreen Employee - Hours Counted under Disability Arrangement



Great Expectations – Excepted Benefits Update

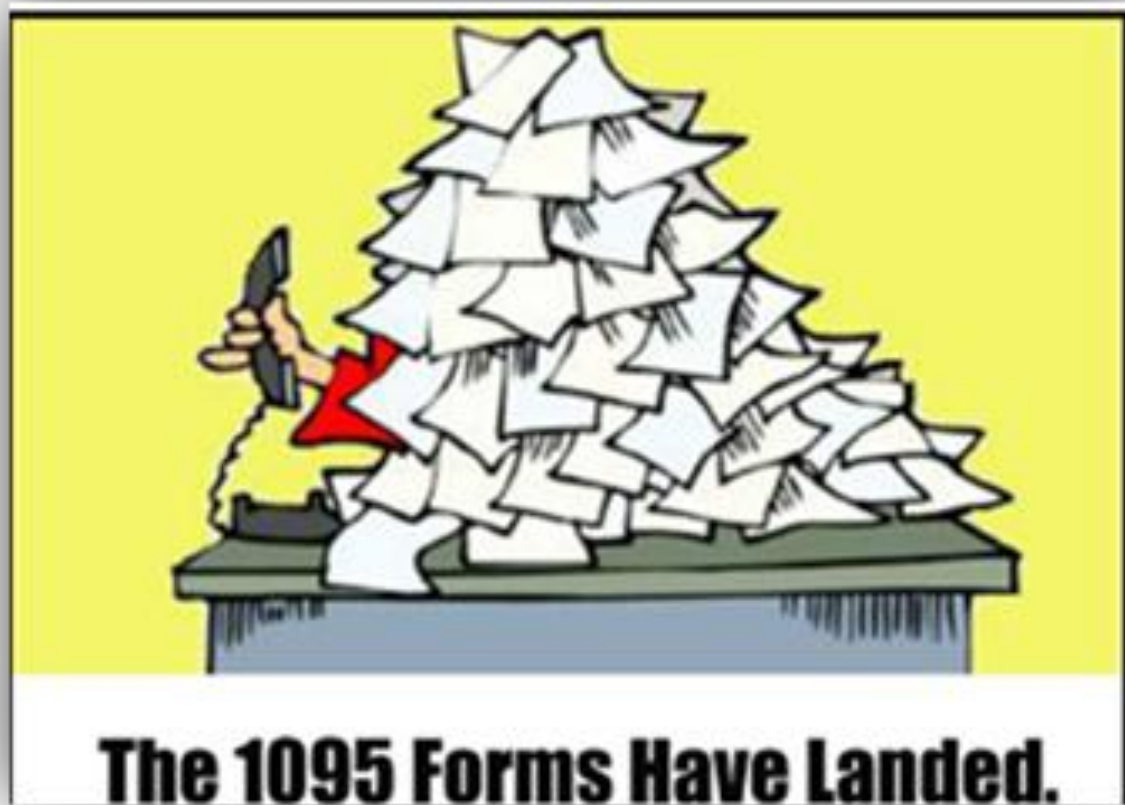
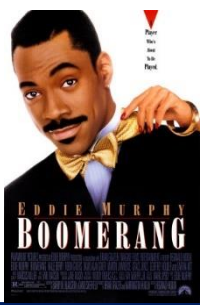


Hunger Games – The Candidates Platform & the Battle for Control



Boomerang

The 1095 Saga Continues



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The 1095 Saga Continues

MEC – Minimum Essential Coverage Reporting Form 1095-B and Transmittal Form 1094-B

- Member and Dependent Coverage by Month
- Self Insured Employers
- Non-ALE Employers/RHS Accounts/Non-employees
- Combined on Form 1095-C if also ALE
- Reporting due following year based on Prior Calendar Year
- Section 6055

| | | | | | |
|--|--|--------------------------------|--|--|-----------------------------|
| Form 1095-B Department of the Treasury Internal Revenue Service | | Health Coverage | | <input type="checkbox"/> VOID | 560115 OMB No. 1545-2252 |
| ▶ Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b . | | | | | |
| Part I Responsible Individual (Policy Holder) | | | | | |
| 1 Name of responsible individual | | 2 Social security number (SSN) | | 3 Date of birth (if SSN is not available) | |
| 4 Street address (including apartment no.) | | 5 City or town | | 6 State or province | |
| | | | | 7 Country and ZIP or foreign postal code | |
| 8 Enter letter identifying Origin of the Policy (see instructions for codes): ▶ <input type="checkbox"/> | | | | 9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable | |
| Part II Employer Sponsored Coverage (If Line 8 is A or B, complete this part.) | | | | | |
| 10 Employer name | | | | 11 Employer identification number (EIN) | |
| 12 Street address (including room or suite no.) | | 13 City or town | | 14 State or province | |
| | | | | 15 Country and ZIP or foreign postal code | |

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The 1095 Saga Continues

ALE – Applicable Large Employer Reporting Form 1095-C and Transmittal Form 1094-C

- Employer Level Reporting
- 50+ employees (FT + FTE) – Fully Insured & Self Insured
- Report due for any employee eligible for at least 1 month of year
- Offer of Coverage & Coverage Code/Safe Harbor/Cost
- Reporting due following year based on Prior Calendar Year
- Comprehensive Transmittal including various elections
- Section 6056

The image shows a close-up of Form 1095-C, 'Employer-Provided Health Insurance Offer and Coverage'. The form is partially filled out and has a gold and black pen and a calculator overlaid on it. The form includes sections for 'Employee' information (name, SSN, address), 'Applicable Large Employer Member (Employer)' information (name, address, contact), and 'Part III Employee' information (offer of coverage, employee share of cost, minimum value coverage). The form also includes a 'Plan Start Month' table and a 'Part III Covered Individuals' section.

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The 1095 Saga Continues

Due Dates & Penalties:

| IRS Deadline for 1094/1095 | 2015 Return (filed in 2016) | 2016 Return (filed in 2017) |
|---|---|--|
| Distribute 1095-B and 1095-C Forms to employees by: | March 31, 2016 | January 31, 2017 |
| Deadline to file 1094/1095-B and 1094/1095-C with IRS by: | <p><i>If Filing Paper:</i> May 31, 2016</p> <p><i>If Filing Electronically:</i> June 30, 2016</p> | <p><i>If Filing Paper:</i> Feb 28, 2017</p> <p><i>If Filing Electronically:</i> March 31, 2017</p> |

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The 1095 Saga Continues

Penalty Exposure Related to Reporting

IRS Rev Proc 2016-11:

Penalties assessed under: Section 6721 (file with IRS) & 6722 (furnish to recipient)

<https://www.irs.gov/pub/irs-drop/rp-16-11.pdf>

.06 Failure to File Correct Information Returns. For taxable years beginning in 2015,

the penalty amounts under § 6721 are:

(1) for persons with average annual gross receipts for the most recent three

taxable years of more than \$5,000,000, for failure to file correct information returns are:

| Scenario | Penalty Per Return | Calendar Year Maximum |
|---|--------------------|-----------------------|
| General Rule (§ 6721(a)(1)) | \$260 | \$3,178,500 |
| Corrected on or before 30 days after required filing date (§ 6721(b)(1)) | \$50 | \$529,500 |
| Corrected after 30 th day but on or before August 1 (§ 6721(b)(2)) | \$100 | \$1,589,000 |

(2) for persons with average annual gross receipts for the most recent three

taxable years of \$5,000,000 or less, for failure to file correct information returns are:

| Scenario | Penalty Per Return | Calendar Year Maximum |
|--|--------------------|-----------------------|
| General Rule (§ 6721(d)(1)(A)) | \$260 | \$1,059,500 |
| Corrected on or before 30 days after required filing date (§ 6721(d)(1)(B)) | \$50 | \$185,000 |
| Corrected after 30 th day but on or before August 1 (§ 6721(d)(1)(C)) | \$100 | \$529,500 |

.07 Failure to Furnish Correct Payee Statements. For taxable years beginning in

2015, the penalty amounts under § 6722 are:

(1) for persons with average annual gross receipts for the most recent three

taxable years of more than \$5,000,000, for failure to file correct payee statements are:

| Scenario | Penalty Per Return | Calendar Year Maximum |
|---|--------------------|-----------------------|
| General Rule (§ 6722(a)(1)) | \$260 | \$3,178,500 |
| Corrected on or before 30 days after required filing date (§ 6722(b)(1)) | \$50 | \$529,500 |
| Corrected after 30 th day but on or before August 1 (§ 6722(b)(2)) | \$100 | \$1,589,000 |

(2) for persons with average annual gross receipts for the most recent 3 taxable

years of \$5,000,000 or less, for failure to file correct payee statements are:

| Scenario | Penalty Per Return | Calendar Year Maximum |
|--|--------------------|-----------------------|
| General Rule (§ 6722(d)(1)(A)) | \$260 | \$1,059,500 |
| Corrected on or before 30 days after required filing date (§ 6722(d)(1)(B)) | \$50 | \$185,000 |
| Corrected after 30 th day but on or before August 1 (§ 6722(d)(1)(C)) | \$100 | \$529,500 |

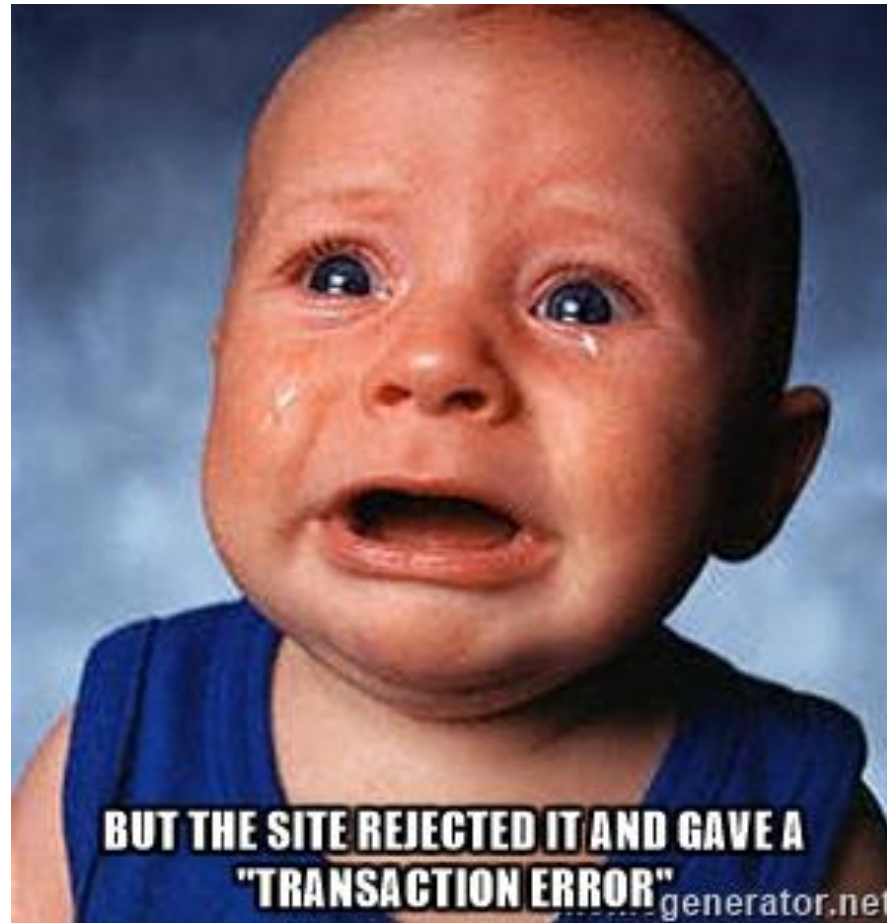
Boomerang

The 1095 Saga Continues



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The 1095 Saga Continues



Boomerang -The 1095 Saga Continues

Form 1094 & 1095 Filing Statuses

Has Your File Been Accepted?

Three possible status scenarios:

1) Rejected:

- IRS bounced some returns due to internal errors, and rejected batches due to system time out and overload issues.
- Batches of returns rejected because of error with one of filed returns
- Return rejected because Employer Information such as EIN number or legal name do not match system information.
- Return rejected because conflict noted in information on return (example: Line 22 info conflicts with codes used on accompanying Forms 1095-C)

Boomerang - The 1095 Saga Continues

Form 1094 & 1095 Filing Statuses

Has Your File Been Accepted?

Three possible status scenarios:

1) Rejected – next steps:

- Rejected submissions “timely” for penalty exposure purposes if errors are fixed and file resubmitted within 60 days from date of original submission.

Question #12: What happens if a filer does not submit a replacement file within the allowable 60 day window?

IRS Response #12: When a replacement file is submitted within 60 days from the original transmission date, the file will be treated as filed on the date of original submission. If a replacement file is submitted after the 60 day period, the file will be treated as filed on the date the replacement file is submitted. For ACA Information Returns, if the original transmission date is on or before June 30, 2016, the replacement file should be submitted no later than 60 days after the original transmission date.

This information is found on slide 45 of the following link: https://www.irs.gov/pub/info_return/June_2016_Webinar_Presentation.pdf

***Boomerang* - The 1095 Saga Continues**

Form 1094 & 1095 Filing Statuses

Has Your File Been Accepted?

2) Accepted – next steps:

- Information on the returns matched the IRS database for employer and employees. Congratulations no further follow up necessary!

Boomerang -The 1095 Saga Continues

Form 1094 & 1095 Filing Statuses

Has Your File Been Accepted?

3) Accepted with Errors – Examples: “Invalid TIN”, “TIN Validation Failed”, “TIN Validation Error”

- IRS is using a “robust validation set”- not the same E-verify or Social Security Number Verification Service that are used for verifying NAME/SSN for Form W-2’s
- Greatland – Approximately 6% of 1095 Forms are being returned for Invalid TIN type errors – 5% on C Forms and 9% on B Forms.
- Expect greater error rate in Year 1
- Correct with IRS within reasonable time
- Employee – E-Verify – 1 additional attempt/document

***Boomerang* - The 1095 Saga Continues**

Form 1094 & 1095 Filing Statuses

Has Your File Been Accepted?

3) Accepted with Errors – (dependents) 3 Solicitations Rule

- Outlined in IRS notice 2015-68 – TIN Solicitation Process
 1. The initial solicitation is made at an individual's first enrollment or, if already enrolled on September 17, 2015, the next open enrollment season.
 2. The second solicitation is a reasonable time thereafter.
 3. And the third solicitation is made by December 31st of the year following the initial solicitation.
- File corrected Form 1095-C or 1095-B when TIN is obtained, or the date of birth if the TIN is not provided. (IRS keeps tax records open for 3 years)
- If unable to correct the return before an IRS penalty notice 972CG is issued; opportunity to establish whether good-faith relief for 2015 or a reasonable cause waiver (reasonable effort to comply – not willful neglect) applies for the 2015 penalties.

Boomerang - The 1095 Saga Continues

2016 DRAFT Form 1095-C

Employer Provided Health Insurance Offer and Coverage

Review of Draft Form 1095-C (Employee Form)

(Released July 7, 2016)

2016 DRAFT Form 1095-C:

<https://www.irs.gov/pub/irs-dft/f1095c--dft.pdf>

2016 DRAFT Form 1094-C:

<https://www.irs.gov/pub/irs-dft/f1094c--dft.pdf>

Section 6056FAQ:

<https://www.irs.gov/Affordabl e-Care-Act/Employers/Questions-and-Answers-on-Reporting-of-Offer-of-Health-Insurance-Coverage-by-Employers-Section-6056>

600117

1095-C
Form Department of the Treasury Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage
Do not attach to your tax return. Keep for your records.
Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c

VOID
 CORRECTED
OMB No. 1545-2251
2016

Part I Employee

1 Name of employee
2 Social security number (SSN)
3 Street address (including apartment no.)
4 City or town
5 State or province
6 Country and ZIP or foreign postal code

Applicable Large Employer Member (Employer)

7 Name of employer
8 Employer identification number (EIN)
9 Street address (including room or suite no.)
10 Contact telephone number
11 City or town
12 State or province
13 Country and ZIP or foreign postal code

Part II Employee Offer of Coverage

14 Offer of Coverage (enter required code)
15 Employee Required Contribution (see instructions)
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)

Plan Start Month (Enter 2-digit number):

| | All 12 Months | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
|----|---------------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|
| 14 | | | | | | | | | | | | | |
| 15 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 16 | | | | | | | | | | | | | |

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee.

| (a) Name of covered individual(s) | (b) SSN or other TIN | (c) DOB (if SSN or other TIN is not available) | (d) Covered all 12 months | (e) Months of Coverage | | | | | | | | | | | |
|-----------------------------------|----------------------|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
| 17 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form 1095-C (2016)

Boomerang - The 1095 Saga Continues

2016 DRAFT Form 1095-C

Employer Provided Health Insurance Offer and Coverage

Review of Draft Form 1095-C (Instructions - Employee Form)

600216

Form 1095-C (2016)

Page 2

Instructions for Recipient

You are receiving this Form 1095-C because your employer is an Applicable Large Employer subject to the employer shared responsibility provision in the Affordable Care Act. This Form 1095-C includes information about the health insurance coverage offered to you by your employer. Form 1095-C, Part II, includes information about the coverage, if any, your employer offered to you and your spouse and dependent(s). If you purchased health insurance coverage through the Health Insurance Marketplace and wish to claim the premium tax credit, this information will assist you in determining whether you are eligible. For more information about the premium tax credit, see Pub. 974, Premium Tax Credit (PTC). You may receive multiple Forms 1095-C if you had multiple employers during the year that were Applicable Large Employers (for example, you left employment with one Applicable Large Employer and began a new position of employment with another Applicable Large Employer). In that situation, each Form 1095-C would have information only about the health insurance coverage offered to you by the employer identified on the form. If your employer is not an Applicable Large Employer it is not required to furnish you a Form 1095-C providing information about the health coverage it offered.

In addition, if you, or any other individual who is offered health coverage because of their relationship to you (referred to here as family members), enrolled in your employer's health plan and that plan is a type of plan referred to as a "self-insured" plan, Form 1095-C, Part III provides information to assist you in completing your income tax return by showing you or those family members had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year.

If your employer provided you or a family member health coverage through an insured health plan or in another manner, the issuer of the insurance or the sponsor of the plan providing the coverage will furnish you information about the coverage separately on Form 1095-B, Health Coverage. Similarly, if you or a family member obtained minimum essential coverage from another source, such as a government-sponsored program, an individual market plan, or miscellaneous coverage designated by the Department of Health and Human Services, the provider of that coverage will furnish you information about that coverage on Form 1095-B. If you or a family member enrolled in a qualified health plan through a Health Insurance Marketplace, the Health Insurance Marketplace will report information about that coverage on Form 1095-A, Health Insurance Marketplace Statement.



TIP Employers are required to furnish Form 1095-C only to the employee. As the recipient of this Form 1095-C, you should provide a copy to any family members covered under a self-insured employer-sponsored plan listed in Part III if they request it for their records.

Part I. Employee

Lines 1-6. Part I, lines 1-6, reports information about you, the employee.

Line 2. This is your social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, the employer is required to report your complete SSN to the IRS.



CAUTION If you do not provide your SSN and the SSNs of all covered individuals to the plan administrator, the IRS may not be able to match the Form 1095-C to determine that you and the other covered individuals have complied with the individual shared responsibility provision. For covered individuals other than the employee listed in Part I, a Taxpayer Identification Number (TIN) may be provided instead of an SSN. See Part III.

Part I. Applicable Large Employer Member (Employer)

Lines 7-13. Part I, lines 7-13, reports information about your employer.

Line 10. This line includes a telephone number for the person whom you may call if you have questions about the information reported on the form or to report errors in the information on the form and ask that they be corrected.

Part II. Employer Offer of Coverage, Lines 14-16

Line 14. The codes listed below for line 14 describe the coverage that your employer offered to you and your spouse and dependent(s), if any. (If you received an offer of coverage through a multiemployer plan due to your membership in a union, that offer may not be shown on line 14.) The information on line 14 relates to eligibility for coverage subsidized by the premium tax credit for you, your spouse, and dependent(s). For more information about the premium tax credit, see Pub. 974.

1A. Minimum essential coverage providing minimum value offered to you with an employee required contribution for self-only coverage equal to or less than 9.5% (as adjusted) of the 48 contiguous states single federal poverty line and minimum essential coverage offered to your spouse and dependent(s) (referred to here as a Qualifying Offer). This code may be used to report for specific months for which a Qualifying Offer was made, even if you did not receive a Qualifying Offer for all 12 months of the calendar year. For information on the adjustment of the 9.5%, see IRS.gov.

1B. Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s).

1C. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) but NOT your spouse.

1D. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your spouse but NOT your dependent(s).

1E. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.

1F. Minimum essential coverage NOT providing minimum value offered to you, your spouse or dependent(s), or you, your spouse or dependent(s).

1G. You were NOT a full-time employee for any month of the calendar year but were covered by minimum essential coverage for one or more months of the calendar year. This code will be entered in the **Months** box, on line 14.

1H. Offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage).

1I. Reserved.

1J. Minimum essential coverage providing minimum value offered to you; minimum essential coverage conditionally offered to your spouse; and minimum essential coverage NOT offered to your dependent(s).

1K. Minimum essential coverage providing minimum value offered to you; minimum essential coverage conditionally offered to your spouse; and minimum essential coverage offered to your dependent(s).

1L. This line reports the employee required contribution, which is the monthly cost to you for the self-only minimum essential coverage providing minimum value that your employer offered to you. The amount reported on line 15 may not be the amount you paid for coverage. For example, you chose to enroll in a self-only plan with a premium of \$100. If you were offered coverage but there is no cost to you for the coverage, this line will report a "0.00" for the amount. For more information, including on how your eligibility for other healthcare arrangements might affect the amount reported on line 15, see IRS.gov.

Line 16. This code provides the IRS information to administer the employer shared responsibility provisions. Other than a code 2C which reflects your enrollment in your employer's coverage, none of this information affects your eligibility for the premium tax credit. For more information about the employer shared responsibility provisions, see IRS.gov.

Part III. Covered Individuals, Lines 17-22

Part III reports the name, SSN (or TIN for covered individuals other than the employee listed in Part I), and coverage information about each individual (including any full-time employee and non-full-time employee, and any employee's family members) covered under the employer's health plan, if the plan is "self-insured." A date of birth will be entered in column (c) only if an SSN (or TIN for covered individuals other than the employee listed in Part I) is not entered in column (b). Column (d) will be checked if the individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which these individuals were covered. If there are more than 6 covered individuals, see the additional covered individuals on Part III, Continuation Sheet(s).

Boomerang - The 1095 Saga Continues 2016 DRAFT Form 1094-C Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

Review of Draft Form 1094-C (Transmittal)

120117


Form **1094-C** Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns CORRECTED OMB No. 1545-2251

Department of the Treasury Internal Revenue Service **2016**

► Information about Form 1094-C and its separate instructions is at www.irs.gov/form1094c

Part I Applicable Large Employer Member (ALE Member)

| | | |
|---|----------------------|---|
| 1 Name of ALE Member (Employer) | | 2 Employer identification number (EIN) |
| 3 Street address (including room or suite no.) | | |
| 4 City or town | 5 State or province | 6 Country and ZIP or foreign postal code |
| 7 Name of person to contact | | 8 Contact telephone number |
| 9 Name of Designated Government Entity (only if applicable) | | 10 Employer identification number (EIN) |
| 11 Street address (including room or suite no.) | | |
| 12 City or town | 13 State or province | 14 Country and ZIP or foreign postal code |
| 15 Name of person to contact | | 16 Contact telephone number |

For Official Use Only


17 Reserved

18 Total number of Forms 1095-C submitted with this transmittal ►

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions

Part II ALE Member Information

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member ►

21 Is ALE Member a member of an Aggregated ALE Group? Yes No
 If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

A. Qualifying Offer Method B. Reserved C. Section 4980H Transition Relief D. 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature _____ Title _____ Date _____

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 61571A Form 1094-C (2016)

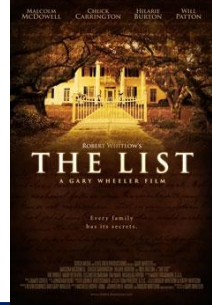
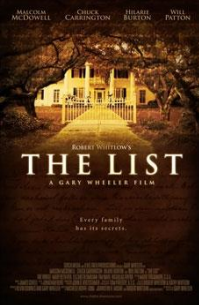
Boomerang - The 1095 Saga Continues Form 1094-C Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

120217

Form 1094-C (2016)
Page 2

| | | (a) Minimum Essential Coverage Offer Indicator | | (b) Section 4980H Full-Time Employee Count for ALE Member | (c) Total Employee Count for ALE Member | (d) Aggregated Group Indicator | (e) Section 4980H Transition Relief Indicator |
|----|---------------|--|--------------------------|---|---|--------------------------------|---|
| | | Yes | No | | | | |
| 23 | All 12 Months | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 24 | Jan | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 25 | Feb | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 26 | Mar | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 27 | Apr | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 28 | May | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 29 | June | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 30 | July | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 31 | Aug | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 32 | Sept | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 33 | Oct | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 34 | Nov | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 35 | Dec | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |

Form 1094-C (2016)



The List

Updated Summary of Benefit & Coverage

Summary of Benefits and Coverage: What This Plan Covers & What You Pay For Covered Services
 Coverage Period: 01/01/2018 - 12/31/2018
 Insurance Company: F. Plan Options: Coverage for Family | Plan Type: FPO

The Summary of Benefits and Coverage (SBC) document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. NOTE: Information about the cost of this plan (called the premium) will be provided separately. This is only a summary. For more information about your coverage, or to get a copy of the complete terms of coverage, (insert contact information). For general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at [www.\[insert.com\]](http://www.[insert.com]) or call 1-800-[insert] to request a copy.

| Important Questions | Answers | Why This Matters: |
|---|---|--|
| What is the overall deductible? | \$500/individual or \$1,000/family | Generally, you must pay all of the costs from providers up to the deductible amount before this plan begins to pay. If you have other family members on the plan, each family member must meet their own individual deductible until the total amount of deductible expenses paid by all family members meets the overall family deductible. |
| Are there services covered before you meet your deductible? | Yes. Preventive care and primary care services are covered before you meet your deductible. | This plan covers some items and services even if you haven't yet met the deductible amount. But a copayment or coinsurance may apply. For example, this plan covers certain preventive services without cost sharing and before you meet your deductible. See a list of covered preventive services at https://www.healthcare.gov/coverage/preventive-care-benefits/ . |
| Are there other deductibles for specific services? | Yes. \$300 for prescription drug coverage and \$300 for occupational therapy services. | You must pay all of the costs for these services up to the specific deductible amount before this plan begins to pay for these services. |
| What is the out-of-pocket limit for this plan? | For network providers \$2,500 individual / \$5,000 family; for out-of-network providers \$4,000 individual / \$8,000 family | The out-of-pocket limit is the most you could pay in a year for covered services. If you have other family members in this plan, they have to meet their own out-of-pocket limits until the overall family out-of-pocket limit has been met. |
| What is not included in the out-of-pocket limit? | Copayments for certain services, premiums, balance-billing charges, and health care this plan doesn't cover. | Even though you pay these expenses, they don't count toward the out-of-pocket limit. |
| Will you pay less if you use a network provider? | Yes. See www.[insert.com] or call 1-800-[insert] for a list of network providers. | This plan uses a provider network. You will pay less if you use a provider in the plan's network. You will pay the most if you use an out-of-network provider, and you might receive a bill from a provider for the difference between the provider's charge and what your plan pays (balance billing). Be aware, your network provider might use an out-of-network provider for some services (such as lab work). Check with your provider before you get services. |
| Do you need a referral to see a specialist? | Yes. | This plan will pay some or all of the costs to see a specialist for covered services but only if you have a referral before you see the specialist. |

OMB Control Numbers 1545-2229, 1210-0147, and 0938-1146
 Released on April 6, 2016 1 of 5

• purposes
 • Bariatric Surgery

• Hearing Aids

Your Rights to Continue Coverage: There are agencies that can help if you want to continue your coverage after it ends. The contact information for those agencies is: [insert State, HHS, DCL, and/or other applicable agency contact information]. Other coverage options may be available to you too, including buying individual insurance coverage through the health insurance marketplace. For more information about the marketplace, visit www.HealthCare.gov or call 1-800-318-2596.

Your Grievance and Appeals Rights: There are agencies that can help if you have a complaint against your plan for a denial of a claim. This complaint is called a grievance or appeal. For more information about your rights, look at the explanation of benefits you will receive for that medical claim. Your plan documents also provide complete information to submit a claim, appeal, or a grievance for any reason to your plan. For more information about your rights, this notice, or assistance, contact: [insert applicable contact information from instructions].

Does this plan provide Minimum Essential Coverage? Yes. If you don't have Minimum Essential Coverage for a month, you'll have to make a payment when you file your tax return unless you qualify for an exemption from the requirement that you have health coverage for that month.

Does this plan meet Minimum Value Standards? Yes. If your plan doesn't meet the Minimum Value Standards, you may be eligible for a premium tax credit to help you pay for a plan through the marketplace.

Language Access Services:
 [Spanish (Español): Para obtener asistencia en Español, llame al [insert telephone number]]
 [Tagalog (Tagalog): Kung kailangan niyong ang tulong sa Tagalog tumawag sa [insert telephone number]]
 [Chinese (中文): 如果需要中文的帮助, 请拨打这个号码 [insert telephone number]]
 [Navajo (Dine): Dinékegho shika a'ohovohi ninsinigo, kwiljigo hoine' [insert telephone number]]

To see examples of how this plan might cover costs for a sample medical situation, see the next section.

4 of 5

estimator. Treatments shown are just examples of how this plan might cover medical care. Your actual costs will be on the actual care you receive, the prices your providers charge, and many other factors. Focus on the cost sharing as copayments and coinsurance and excluded services under the plan. Use this information to compare the portion of under different health plans. Please note these coverage examples are based on self-only coverage.

| | Managing Joe's type 2 Diabetes (a year of routine in-network care of a well-controlled condition) | Mia's Simple Fracture (in-network emergency room visit and follow up care) |
|---------------------------------|--|---|
| The plan's overall deductible | \$500 | \$500 |
| Specialist copayment | \$50 | \$50 |
| Hospital (facility) coinsurance | 20% | 20% |
| Other coinsurance | 20% | 20% |

This EXAMPLE event includes services like:
 Primary care physician office visits (including disease education)
 Diagnostic tests (blood work)
 Prescription drugs
 Durable medical equipment (glucose meter)

Total Example Cost: \$7,400

In this example, Joe would pay:
 Cost Sharing: \$800 (Deductibles*)
 Copayments: \$1,200
 Coinsurance: \$300
 What isn't covered: Limits or exclusions \$60
 The total Joe would pay is \$2,360

This EXAMPLE event includes services like:
 Emergency room care (including medical supplies)
 Diagnostic test (x-ray)
 Durable medical equipment (crutches)
 Rehabilitation services (physical therapy)

Total Example Cost: \$1,900

In this example, Mia would pay:
 Cost Sharing: \$700 (Deductibles*)
 Copayments: \$50
 Coinsurance: \$300
 What isn't covered: Limits or exclusions \$0
 The total Mia would pay is \$1,050

Note: These numbers assume the patient does not participate in the plan's wellness program. If you participate in the plan's wellness program, you may be able to reduce your costs. For more information about the wellness program, please contact: [insert].
 *Note: This plan has other deductibles for specific services included in this coverage example. See "Are there other deductibles for specific services?" row above.

The plan would be responsible for the other costs of these EXAMPLE covered services. 5 of 5

- SBC Templates & Samples of completed SBC's – proposed (after 4/1/2017): <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/SBC-Template-508-MM.pdf>
- Updated Uniform Glossary: <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/UG-Glossary-508-MM.pdf>
- Florida CLAS List: https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/CLAS-County-Data_Jan-2016-update-FINAL.pdf

The List

Updated Summary of Benefit & Coverage

Updated Summary of Benefit & Coverage

- On June 16, 2015, the Departments of Labor (DOL), Health and Human Services (HHS), and Treasury published the final regulations relating to SBC's, and on April 6, 2016, the final SBC templates were published.
- New template and Uniform glossary must be used for open enrollments on or after 4/1/17; or if no OE, plan years on or after 4/1/17.
- Employees must be able to access group certificate of coverage and individual policies online. Sample group certificates are acceptable while group plans are being finalized. ER's provide a web address where a copy of the group certificate of coverage can be reviewed and obtained

The List

Updated Summary of Benefit & Coverage

Primary Differences Between the Current SBC and New Template:

- Addition of a new coverage example – simple fracture
- New requirements for info regarding:
 - Services covered before a deductible
 - “Core” limitations & deductibles
 - Categories of services substantially excepted from coverage
 - Situations where cost sharing on a covered service does not count toward out of pocket limits
 - Numerical or dollar limits on services
 - Prior authorization requirements
- 5 Page SBC - Terms used on electronic SBC can be fully hyperlinked to the Uniform Glossary and vice versa.
- Continuation Coverage language includes reference to coverage through an exchange



You've Got Mail-

Section 1411 Certification Notices

DEPARTMENT OF HEALTH AND HUMAN SERVICES
465 INDUSTRIAL BOULEVARD
LONDON, KENTUCKY 40750-0001

Health Insurance Marketplace

July 16, 2014

Nice Guys Printing
John Smith
12345 9th Ave North
Somewhere, VA 55555

Dear John Smith:

The person listed below submitted an application for health coverage through the Health Insurance Marketplace in Virginia and indicated that he or she is an employee of Nice Guys Printing at the address shown above.

This person reported that he or she:

- didn't have an offer of health care coverage from Nice Guys Printing;
- did have an offer of health coverage, but it wasn't affordable or didn't provide minimum value; or
- was in a waiting period and unable to enroll in health care coverage.

The employee has been determined eligible for advance payments of the premium tax credit (APTC) or cost sharing reductions (CSRs) for at least one month during 2016 to help pay for Marketplace coverage and has enrolled in coverage through the Marketplace.

| Employee Name | Birthdate | Last 4 digits of Social Security Number (if available) | Marketplace Application ID |
|---------------|-----------|--|----------------------------|
| Jane Doe | March 15 | 6789 | 123456789 |

Why am I getting this notice?

This notice informs you that your employee was found eligible for APTC or CSRs and that, if various conditions are met, you may have to pay an employer shared responsibility payment to the Internal Revenue Service (IRS) in the future. It also notifies you of your opportunity to appeal this eligibility determination.

Certain employers (those with at least 50 full-time employees or full-time equivalent employees, called applicable large employers) might have to pay an employer shared responsibility payment for any month that at least one full-time employee enrolled in Marketplace coverage and receives APTC or CSRs.

If you have questions: Visit HealthCare.gov. Or, call 1-800-355-8856 (TTY:711). The call is free.

1 of 5

If Nice Guys Printing is an applicable large employer, at least one of its employees received APTC or CSRs for at least one month during 2016, and it meets other Internal Revenue Service (IRS) criteria, the IRS may determine that it must pay an employer shared responsibility payment.

Important: This is only a notification that Nice Guys Printing may have to pay an employer shared responsibility payment. Only the IRS, not the Marketplace, can determine whether this employer will owe an employer shared responsibility payment.

What can I do next?

To learn more, you can visit IRS.gov/aca or contact the IRS at 800-829-4933 Monday - Friday, 7a.m. - 7 p.m. your local time (Alaska & Hawaii follow Pacific time).

You may file an appeal to the Marketplace if you believe there's been a mistake regarding the employee's eligibility for APTC or CSRs. If you believe your employee was incorrectly determined eligible for APTC or CSRs because you offered the employee affordable, minimum value health coverage, filing an appeal could help reduce the employee's potential tax liability. Filing an appeal could also eliminate reports from the Marketplace to the IRS that your employee received APTC or CSRs following an appeal decision in your favor. However, filing an appeal won't necessarily affect whether you have to pay an employer shared responsibility payment to the IRS, because the IRS will determine independently whether you have to pay.

If you appeal, the Marketplace will consider evidence provided by both you and your employee to determine if the employee is eligible for APTC or CSRs.

Remember, it's a violation of the Fair Labor Standards Act to discriminate against any employee because he or she received APTC or CSRs.

What are my appeal rights?

You have 90 days from the date of this notice to request an appeal from the Marketplace. For more information about the employer appeal process and to download the employer appeal request form, visit HealthCare.gov/marketplace-appeals/employer-appeals and mail the completed form to:

Health Insurance Marketplace
465 Industrial Blvd.
London, KY 40750-0061

So fax the form through this secure fax line: 1-877-369-0129.

Include a copy of this notice with your appeal request.

HealthCare.gov. Or, call 1-800-355-8856 (TTY:711). The call is free.

2 of 5

You've Got Mail–

Section 1411 Certification Notices



HHS Notice of EE APTC/CSR from Marketplace

Background: Employee attests when applying for premium tax credit that they were not:

- 1) enrolled in employer sponsored coverage and
 - 2) eligible for employer coverage that is affordable and MV
- As a standard - Department of HHS is sending employer notice that employer's employee received an Advanced Premium Tax Credit (APTC) or Cost Sharing Reduction (CSR)
 - Employer has opportunity to APPEAL to FFM.
<https://www.healthcare.gov/downloads/marketplace-employer-appeal-form.pdf>
 - Employer should appeal only if the employee was eligible for minimum value, affordable coverage; or employee is enrolled in employer sponsored coverage

You've Got Mail— Section 1411 Certification Notices

Employer Repeal Request Form

 Health Insurance Marketplace  Page 1 of 2

Employer Appeal Request Form

Form Approved
OMB No. 0938-1213
Appeal Request Form – Employer

Use this form to appeal a Marketplace determination that an employee was eligible for advance payments of the premium tax credit and cost-sharing reductions (if applicable) in part because your business didn't offer health coverage that met minimum value requirements and was affordable with respect to this employee.


Please print in capital letters using black or dark blue ink only.

SECTION 1: Tell us about the employer who's requesting this appeal.

| | | | |
|---|--------------|----------------------------------|--------------|
| 1. Business Name | | Federal Employer ID Number (EIN) | |
| Primary business mailing address | | Suite # | |
| City | State | ZIP code | |
| Name of the primary contact (First name, Middle initial, Last name) | Phone number | | |
| Title of primary contact | | | |
| Primary business mailing address | | Suite # | |
| City | State | ZIP code | Phone number |

SECTION 2: Designate a secondary contact. (optional)
This is someone who may act on your organization's behalf regarding this appeal request.

| | |
|---|--------------|
| Name of the secondary contact (First name, Middle initial, Last name) | Phone number |
|---|--------------|

 Page 2 of 2

SECTION 3: Tell us why you're appealing the Marketplace determination of this employee's eligibility for help with the costs of Marketplace coverage.

What's the date on the Marketplace notice? (mm/dd/yyyy)

What's the employee's first and last name?

What's the employee's date of birth (if available)?

What's the employee's Application ID # (if available on your notice)?

An individual may qualify for help with the costs of Marketplace coverage if the coverage that's offered by an employer doesn't meet minimum value requirements or isn't affordable with respect to the employee.

Use the space below to explain why this employee shouldn't have been eligible for advance payments of the premium tax credit and cost-sharing reductions (if applicable). Use extra paper, if necessary. If you're including documents to support your request, send us copies. Keep all original documents.

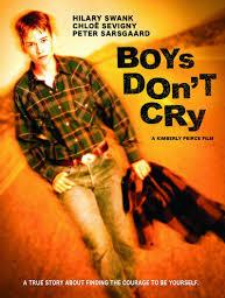
You've Got Mail–

Section 1411 Certification Notices

HHS Notice of Employee APTC from Marketplace

- Appeal to HHS within 90 days (if applicable) – see appeal form posted on Healthcare.gov (Florida is a federally facilitated exchange state)
<https://www.healthcare.gov/downloads/marketplace-employer-appeal-form.pdf>
- Do not appeal – if employee was not eligible to participate in employer sponsored health coverage
- IRS tasked with assessing penalty, if any.
- Notices may be received by Employer throughout year.

<https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/Employer-Notice-FAQ-9-18-15.pdf>



Boys Don't Cry

Section 1557 Compliance



Section 1557 Compliance – HHS & CMS Funding

- Final rule issued – builds on non discrimination provision of the ACA that prohibits discrimination on basis of race, color, national origin, sex, age, or disability in health programs or activities that receive Federal financial assistance or are administered by an executive agency or entity
 - Prohibits sex discrimination in health care
 - Cannot deny care or coverage based on sex, pregnancy, gender identity, or sex stereotyping
 - Must treat individuals consistent with gender identity
 - Exclusions or limitation on health services related to gender transition are discriminatory
 - For plans on or after 1/1/17, applicable issuers must update health plan benefit designs to comply

PCORI, TRF, & Other



Affordable Care Act Dollar Limits & Percentages



Affordable Care Act Dollar Limits & Percentages

Indexed amounts for group health plans:

| Item | 2015 | 2016 | 2017 |
|---|---|---|---|
| Out of pocket (OOP) Limit for Non-Grandfathered Plans | Individual: \$6,600 Family: \$13,200 | Individual: \$6,850 Family: \$13,700 | Individual: \$7,150 Family: \$14,300 |
| Flexible Spending Account (FSA) Maximum Salary Reduction | \$2,550 | \$2,550 | TBD |
| Employer Shared Responsibility Penalty—4980H(a) | \$2,080 | \$2,160 | TBD |
| Employer Shared Responsibility Penalty—4980H(b) | \$3,120 | \$3,240 | TBD |
| Affordability of Group Health Plan Coverage: Test applied by Exchange/Marketplace when determining if Offered Coverage is Affordable | Not affordable if cost of employee-only coverage exceeds 9.56% of household income | Not affordable if cost of employee-only coverage exceeds 9.66% of household income | Not affordable if cost of employee-only coverage exceeds 9.69% of household income |
| Affordability of Group Health Plan Coverage: Safe Harbors Available to Employers seeking to minimize employer penalty exposure | <ul style="list-style-type: none"> W-2, Rate of Pay, Federal Poverty Level (FPL) (use 9.56% in calculation) | <ul style="list-style-type: none"> W-2, Rate of Pay, Federal Poverty Level (FPL) (use 9.66% in calculation) | <ul style="list-style-type: none"> W-2, Rate of Pay, Federal Poverty Level (FPL) (use 9.69% in calculation) |
| Value of 100% of the Federal Poverty Level (for single individual residing in one of the 48 contiguous states or DC) | \$11,670 | \$11,770 | \$11,880 |
| Used by the Exchange/Marketplace when calculating premium assistance tax credit | | | |
| Maximum Affordable Monthly Premium under the FPL Safe Harbor <i>*Values effective for Feb—Dec of calendar year</i> | \$93.77* | \$95.63* | \$95.93 |
| Affordability of Group Health Plan Coverage: Test Applied by Federal Government in determining if individual or family is exempt from the Individual Mandate | Not affordable if cost of coverage exceeds 8.05% of household income | Not affordable if cost of coverage exceeds 8.13% of household income | Not affordable if cost of coverage exceeds 8.16% of household income |
| Individual Mandate Penalty | Greater of \$325 or 2% of income: maximum penalty is \$207 per person per month or \$1,035 per month for a family of 5 or more | Greater of \$695 (indexed after 2016) or 2.5% of income (maximum penalty not available) | TBD |

PCORI, TRF, & Other

Affordable Care Act Fees

| Fee | 2015 | 2016 | 2017 |
|---|---|---|----------------------|
| Transitional Reinsurance Program Fees | \$44 per person (based on enrollment count for first 9 months of 2015) | \$27 per person (based on enrollment count for first 9 months of 2016) | No longer applicable |
| Patient Centered Outcomes Research Institute (PCORI) / Comparative Effectiveness Research Fees (CERF) | \$2.08 per person for fiscal year plan years ending before Oct 1, 2015 (and for 2014 calendar-year plans) Payment due by: August 1, 2016 | \$2.17 per person for fiscal year plan years ending before Oct 1, 2016 (and for 2015 calendar-year plans) Payment due by: July 31, 2017 | TBD |

PCORI, TRF, & Other

Health Industry Fee

Health insurance tax on fully insured plans has been suspended for one year – 2017

ESRP “Pay & Play” Penalty

ALE - Substantially all eligible must be offered MEC = 95%

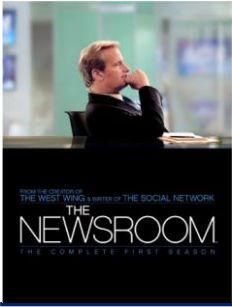
Cadillac Tax

Consolidated Appropriations Act delays Cadillac Tax to 2020.

PCORI, TRF, & Other

Florida Specific

- As of Jan 1, 2016 large group contracts with over 24 months remaining on rate guarantee and or rate cap need to be amended as of policy anniversary date to reflect period of no more than 24 months. Applies to experience rated plans.
<https://www.flrules.org/gateway/ruleno.asp?id=690-149.005&Section=0>
- Small group rate guarantees continue to be limited to 12 months
- **HB221** – Balance billing protection for PPO/EPO similar to HMO. Expanded coverage for Downs Syndrome



The News Room

Notice 2015-87 Affordability Update

Affordability Busters - Notice 2015-87 Affordability Update

- Affordability for Wellness Plan
- Opt Out Benefit Update
- HRA Credit

The Case of the Evergreen Employee - Hours Counted under Disability Arrangement

Affordability Busters

Affordability for Wellness Plans

Wellness Program Incentives & Affordability

Tobacco program – affordability can be based on lowest premium for non-smokers (as long as medical test not required)

- Example:
 - premium if no tobacco is \$50
 - Premium if tobacco user is \$150
 - Use \$50 for affordability testing

Non Tobacco incentive program – affordability must be based on premium for non-qualifiers

- Example:
 - premium if no physical is \$100
 - Premium if complete physical is \$75
 - Use \$100 for affordability testing

Affordability Busters

Opt Out Payment Update

Opt-Out Payments

An opt-out is a bonus or incentive payment by ER to EE who waives coverage.

- Pending IRS guidance would add this payment to EE premium for indiv coverage for affordability calculation purposes (line 15 Form 1095-C, 4980H(b) penalty) unless a “conditional” opt-out
- In a “Conditional Opt-Out” the EE must provide employer reasonable evidence that EE and all tax dependents have other MEC (other than individual policies)
 - Attestation
 - Documentation (SBC & Insurance Card)

Affordability Buster

Opt Out Payment Update

Opt-Out Payments

➤ Example:

| Affordability Test | Non Conditional | Conditional |
|--|-----------------|-------------|
| Self Only Premium | \$50 | \$50 |
| Opt Out Benefit | \$200 | \$200 |
| Premium for Affordability Testing Purposes | \$250 | \$50 |

- Effective date: January 1, 2017 (immediately for opt-out payments established on or after 12/16/15)
- Exception for Unions – if mid bargaining cycle (in effect before 12/16/15), don't need to modify until plan year beginning on/after start of next cycle

Affordability (Non) Buster HRA Credits

HRA Credits

- Newly available (current plan year) HRA credits that can be used to reduce premium or cost sharing can be used to reduce premium costs for affordability.
- HRA Contributions part of plan or determinable within reasonable time of whether to enroll in ER sponsored coverage (communicated at OE prior to start of plan year)

– Example:

| | Premium |
|--|---------|
| Self Only Premium | \$125 |
| Monthly HRA | \$50 |
| Premium for Affordability Testing Purposes | \$75 |

The Evergreen Employee Hours of Service

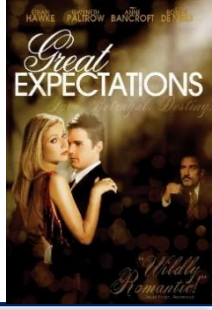
Disability Hours of Services Credited

- Count hours if employee paid premiums pre-tax or employer pays premium for employee (taxable benefit)

| Included in Hours of Service | Excluded from Hours of Service |
|--------------------------------------|--|
| Employer-paid LTD/STD | State-Mandated STD |
| Employee-purchased LTD/STD – PRE-TAX | Employee-purchased LTD/STD – POST-TAX / unsubsidized |
| STD in excess of state minimums | State-Mandated Workers Comp |

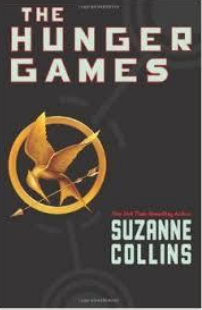
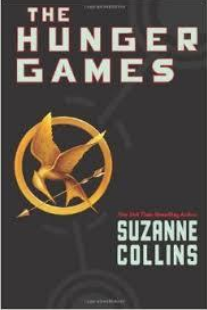


Great Expectations Excepted Benefits



Excepted Benefits Update

- DOL suspicious of “fixed indemnity plans” – concern of misrepresentation as medical insurance
 - GAP Plans
 - Worksite Plans
- Red flags
 - Reimbursement based on % rather than per diem
 - Varying reimbursement amounts based on type of service
- Sponsors of fixed indemnity policies must include prominent, 14 point disclaimer at time of enrollment informing participant the policy is not medical coverage

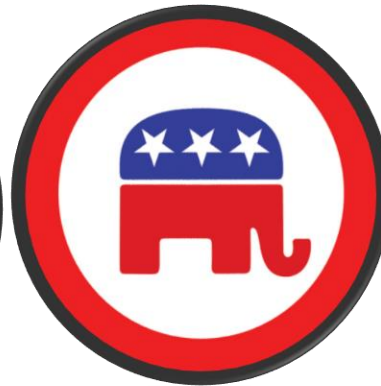


The Hunger Games

The Candidates Platform & Battle for Control

THE CANDIDATE'S PLAN

Preserve & Fix
ACA!



Repeal &
Replace!
Establish a
Free Market



The Hunger Games

The Candidates Platform & Battle for Control

HILLARY CLINTON'S POSITION ON HEALTHCARE

- Affordable health care is a basic human right
- Build on ACA to slow out of pocket costs
- Crack down on prescription drug prices –promote R&D investment
- Protect women's access to reproductive health care



The Hunger Games

The Candidates Platform & Battle for Control

HILLARY CLINTON'S POSITION ON HEALTHCARE

- Support incentives for Medicaid expansion by States
- Allow immigrants to buy coverage in exchange
- Support States to establish Public Option
- Reward Value & Quality



The Hunger Games

The Candidates Platform & Battle for Control

DONALD TRUMP'S POSITION ON HEALTHCARE

- Completely repeal Obamacare & establish free market
- Allow sales across state lines
- Allow individuals fully deduct health insurance premiums
- Allow HSA's & allow to heirs
- Require price transparency



The Hunger Games

The Candidates Platform & Battle for Control

DONALD TRUMP'S POSITION ON HEALTHCARE

- Work with states to ensure access to Medicaid – allow states to run Medicaid
- Allow consumers access to imported drugs
- Enforce immigrations laws
- Mental health reform



The Hunger Games

The Candidates Platform & Battle for Control

- Other Alternatives & Considerations
 - Individual Credit - \$2500/\$1500
 - Cap on tax free premiums (85%?)
 - Portable Coverage
 - Tax Reform

- ER Sponsored Coverage costs \$266 Billion/year in tax forbearance for 2016

The Hunger Games

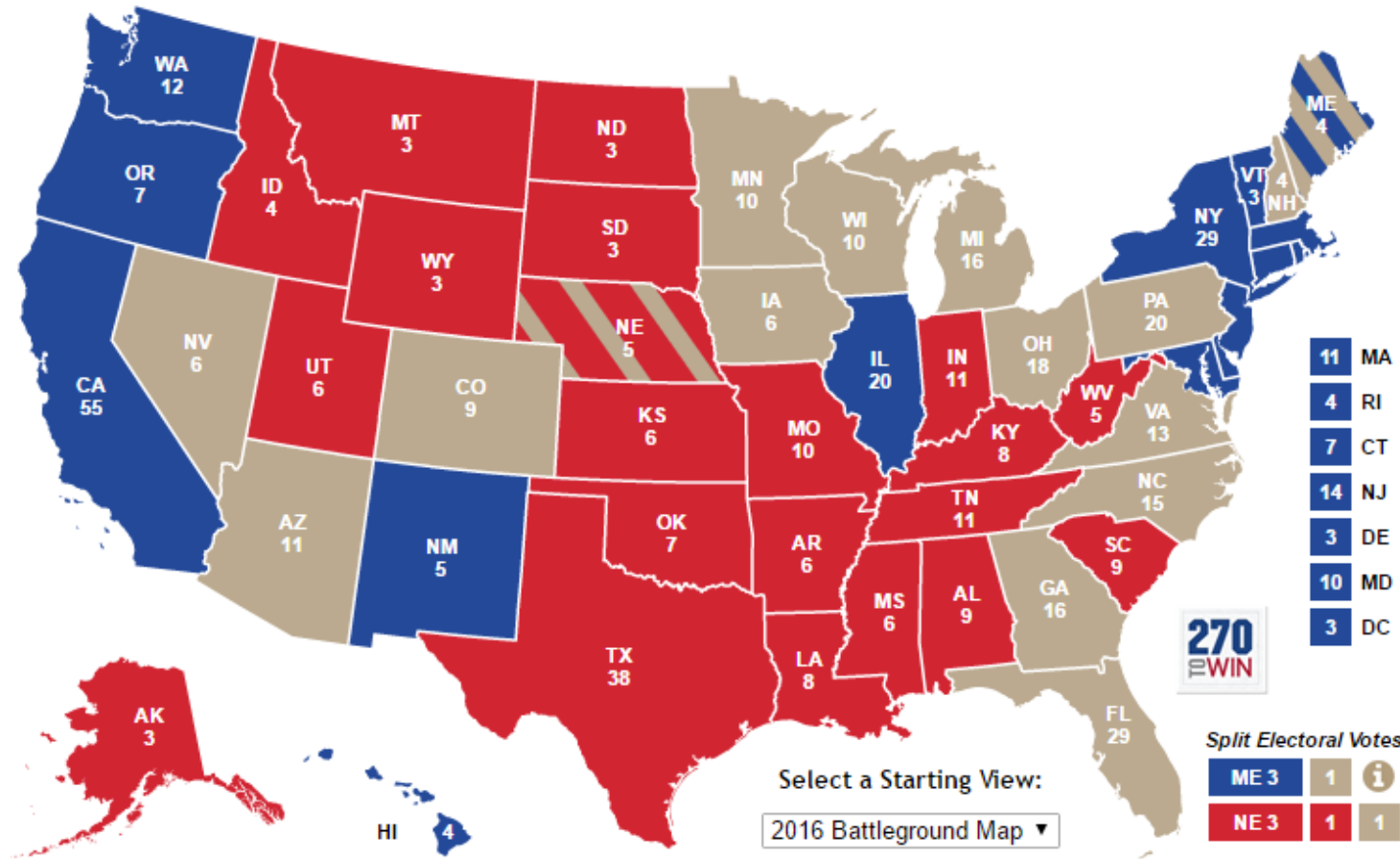
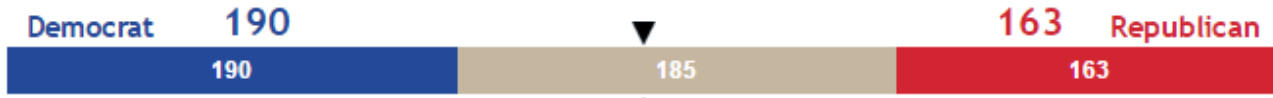
The Candidates Platform & Battle for Control

– November 8, 2016 – Election Day

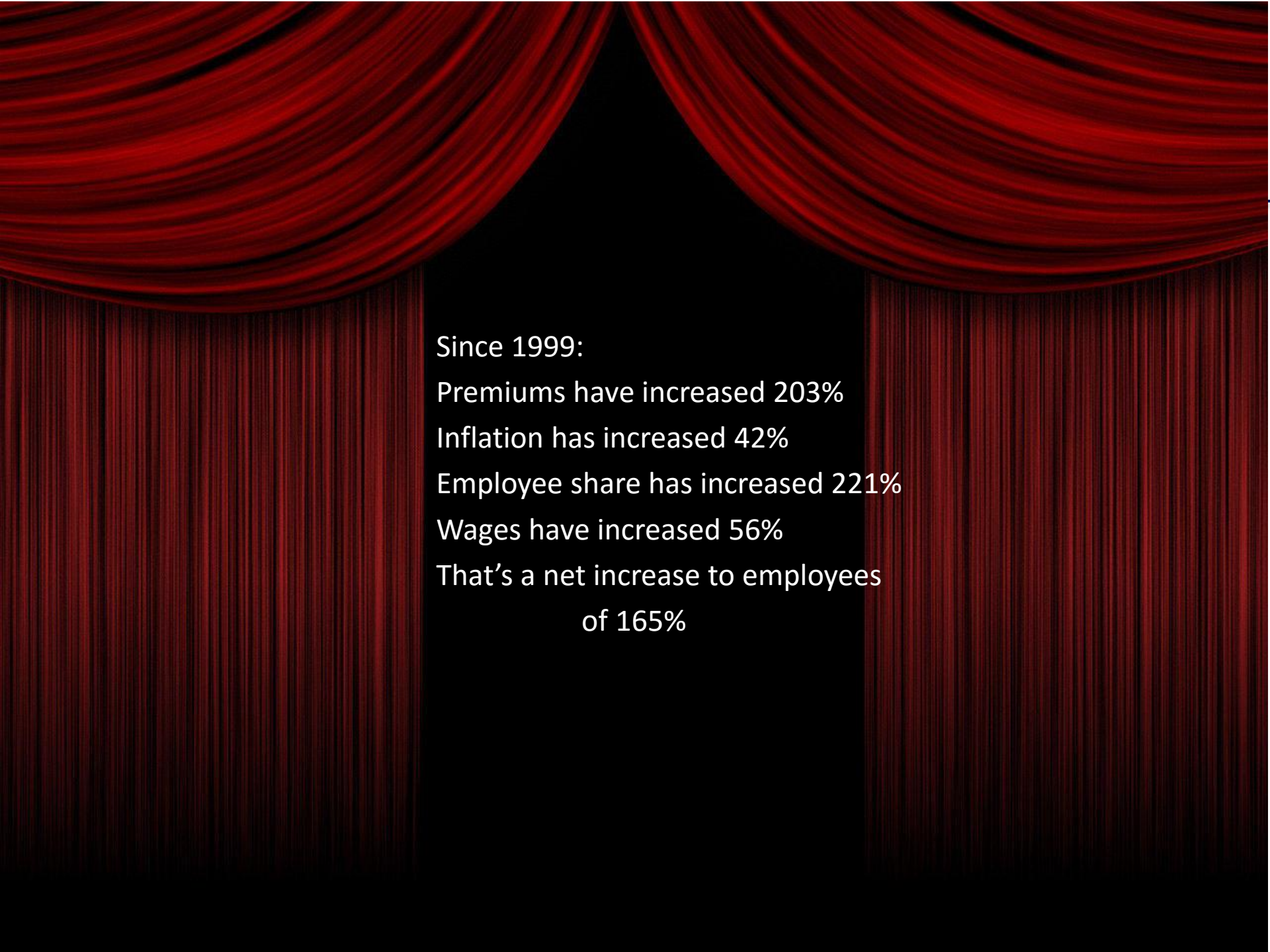
- 43 Senate Seats
- All 435 House or Representative Seats
- Presidential Election

| Term | Total Senators | Democrat Senators | Republican Senators | Total House of Representatives | Democrat Representatives | Republican Representatives | President |
|-----------|----------------|-------------------|---------------------|--------------------------------|--------------------------|----------------------------|-----------|
| 2015-2017 | 100 | 44 | 54 | 435 | 188 | 246 | Democrat |
| 2013-2015 | 100 | 54 | 45 | 435 | 201 | 234 | Democrat |
| 2011-2013 | 100 | 51 | 47 | 435 | 193 | 242 | Democrat |
| 2009-2011 | 100 | 57 | 41 | 435 | 256 | 178 | Democrat |

2016 Battleground Map



States that could be competitive

The background of the slide features a pair of rich red, vertically pleated curtains that are drawn back to reveal a dark, black stage. The lighting is dramatic, highlighting the texture and folds of the fabric.

Since 1999:

Premiums have increased 203%

Inflation has increased 42%

Employee share has increased 221%

Wages have increased 56%

That's a net increase to employees
of 165%

Q&A?

kate.grangard@gehringgroup.com

cindy.thompson@gehringgroup.com

Office phone: (561) 626-6797

Kate cell: (561) 629-2001