



For your information

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Agencies release new health care reform regulations

As anticipated following the presidential election, the Departments of Labor, Treasury, and Health and Human Services released four sets of proposed regulations and companion [press releases](#) on the Patient Protection and Affordable Care Act (ACA). The regulations cover:

- **Wellness programs.** Wellness programs that condition eligibility for a reward upon a participant's ability to meet a health standard are permissible only if they meet specific requirements. For 2014, the ACA increases the permissible reward from 20 percent to 30 percent of the cost of coverage and allows agencies to issue regulations that increase the reward to 50 percent. The proposed [regulations](#) and [fact sheet](#) generally provide that wellness programs can offer a reward of up to 30 percent of the cost of coverage. The proposed rules also allow for a new 50 percent limit for certain tobacco-related wellness programs. Other helpful clarifications include how to design programs contingent on meeting health status factors and reasonable alternatives. The Department of Labor also released a companion [white paper](#) sponsored by HHS and drafted by Rand Health regarding the US workplace wellness market.
- **Essential health benefits.** Beginning 2014, the ACA requires that qualified health plans offered through an Exchange cover essential health benefits. These [proposed regulations](#) describe the standards that Exchanges and insurers must meet when establishing and covering essential health benefits and actuarial value. The rules also propose an accreditation timeline for qualified health plans offered through the Exchanges. The regulations address the actuarial value of health savings accounts (HSA) and health reimbursements arrangements (HRA) for individual and small group plans. It's possible regulators could take a similar approach with large group plans.
- **Qualified health plans.** In 2014, an Exchange will be required to make qualified health plans available to individuals and small employers. This [notice](#) recognizes the National Committee for Quality Assurance and Utilization Review Accreditation Commission as the entities that will accredit qualified health plans offered by the Exchanges.
- **Health insurance market rules.** The ACA imposes certain market reforms for health insurance and group health plans. These proposed [regulations](#) cover various market rules including fair health insurance premiums, guaranteed availability, guaranteed renewability, risk pools, and catastrophic plans. The regulations also include enforcement provisions for non-federal governmental plans and rate review guidelines. The regulations also revise the timeline for review and approval for states to propose state-specific thresholds.

While only some of the guidance applies directly to employers, the remainder signals ongoing efforts by the regulatory agencies and White House to implement the ACA. We will publish additional analyses of these regulations shortly.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.
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