



## Patient Protection and Affordable Care Act (ACA) Overview and the Medical Trust's Compliance History through 2012

### **DHP Passes and Healthcare Reform Begins in 2009**

Healthcare reform began in earnest in March 2009. In one year, it moved from a proposal to passage by the Senate and the House of Representatives, and was signed into law by President Obama on March 23, 2010. In 2012, the U.S. Supreme Court upheld the Affordable Care Act (ACA).

In 2009 with the passage of the Denominational Health Plan (DHP), the Medical Trust became the provider of medical benefits for the Episcopal Church. The Medical Trust knew its plans would be impacted by the ACA, and kept abreast of the legislation, which continues to evolve to this day.

### **Church Health Plans and the ACA**

The ACA doesn't directly address church plans. So the Church Alliance, a coalition of 37 church benefit programs including the Church Pension Group (CPG), has representatives meeting with congressional and government leaders regarding how healthcare reform will apply to church plans. The Church Alliance wants to ensure that any legislation considers the interests and unique positions of health benefit plans operated by churches, and religious institutions. We'll continue to keep you updated on these efforts.

### **How the Medical Trust Complies**

The Medical Trust's plans are in compliance with all current provisions of the ACA. In fact, the Medical Trust had instituted many of these provisions prior to healthcare reform, as they were in the best interests of those we serve.

The provisions required and instituted to date, include:

- No cost preventive care services. Plan members are provided 100% coverage (no cost-sharing) for preventive care services such as annual health examinations
- No pre-existing condition limitations. Eligible members are not excluded from coverage on the basis of their individual health conditions
- No retroactive rescission of coverage, except in case of fraud or misrepresentation and other limited circumstances
- Contribution rates are not determined on the basis of individual health history
- Coverage is not cancelled on the basis of individual health status
- Coverage of adult children to age 26. Medical Trust eligibility provisions prior to healthcare reform already included eligible dependents to age 30. We have

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maintained age 30 as the cut-off, and as required by healthcare reform, eliminated the provisions that eligible dependents age 30 or younger must: live at home, be full time students, be unmarried or have no dependents of their own

- The Medical Trust health plans have no annual or lifetime maximums
- Women's preventive health expansion. This provision requires that women's preventive health services are provided with no cost-sharing, and includes:
  - Well-woman visits
  - Gestational diabetes screening
  - Human Papillomavirus (HPV) DNA testing
  - Sexually-transmitted infection (STI) counseling
  - HIV screening and counseling
  - Contraception and contraceptive counseling
  - Breastfeeding support, supplies and counseling
  - Interpersonal and domestic violence screening and counseling
- Summaries of benefits and coverage. The Medical Trust has always provided members with summaries of benefits and coverage, but they were redesigned to comply with the standard universal templates, which makes it easy to compare plans.
- Form W-2 Reporting. Employers offering Medical Trust health plans are currently exempt from this provision. Employers offering health coverage through a source other than the Medical Trust may be required to provide on each employee's W-2 Form the value of their health coverage. Employers not with Medical Trust should consult with their payroll provider.
- Patient Centered Outcomes Research Institute (PCORI)/Clinical Effectiveness Fee. **This fee will be assessed for a limited period of time to help fund the new Patient Centered Outcomes Research Institute. In 2012 the fee was \$1.00 per participant per year. In 2013 it was \$2.00 per participant per year. The Medical Trust pays this fee for plans sponsored by the Medical Trust. If you offer other health plans to your employees (e.g. HRAs), you may be required to pay a separate fee for those plans.**

### Opportunities Realized Through the ACA

The Medical Trust has also been able to maximize some opportunities for our member groups as a result of the Affordable Care Act. These include:

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### **Early Retiree Reinsurance Program**

Applying for and receiving reimbursements from the Early Retiree Reinsurance Program. These totaled over \$560,000 for plan year 2010, and over \$190,000 for plan year 2011. These reimbursements were used to lower 2012 premium increases.

### **Small Employer Tax Credit**

For the Small Employer Tax Credit, CPG worked with the Church Alliance to obtain IRS guidance that clarified the availability of this tax credit for eligible employers that participated in self-funded church plans. CPG began providing education to diocesan administrators on how to instruct parishes to file for these tax credits in 2010 through a memo on the eligibility requirements and how to apply, and continues to do so.

### **Medical Trust Outreach to the Church, 2009–Present**

Throughout this changing landscape, the Medical Trust sought opportunities to educate and inform Church leadership on the developments in healthcare reform.

These have included:

- The House of Bishops meeting (Fall 2011)
- Bishops from Small Dioceses meeting (Winter 2011)
- Province IV meetings (Summer 2011 and Spring 2012)
- Provincial synod meetings leading into the 2012 General Convention
- Annual DHP Advisory Committee meetings (2010-2012)
- Group administrator teleconferences (periodically from 2009-present)
- Annual Episcopal Business Administrators Conference (2009-present)
- Email updates to group administrators as needed (2009-present)
- Creation of an instructional guide for the filing of the small-business tax credit (2010-present)
- Development of FAQs providing additional information on Healthcare Reform (2013)

### **Next Steps**

The Medical Trust continues to monitor the fluid healthcare landscape, and to work with the Church Alliance to address the unique needs of church plans within the law's provisions. Next year will prove particularly challenging for employers and employees. Many of the major provisions of the ACA are scheduled to take effect in 2014. As of this writing there are still many details being finalized. We will continue to keep you informed of the provisions and their effects on church employers, employees and the Medical Trust Plans.



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Please note that this document is provided for informational purposes only and should not be viewed as investment, tax, legal or other advice. Please consult with your own professional advisors for further guidance.

Health benefits are offered through plans maintained by the Church Pension Group Services Corporation (doing business as the Episcopal Church Medical Trust), 18 East 34<sup>th</sup> Street, New York, NY 10016.