



**in the** dynamic age we are living in, it is crucial to hold your employee benefit advisor accountable for keeping you up to date and to plan for the rollout of the Health Care Reform (HCR) law passed earlier this year. Although many items of the HCR law have implementation dates through 2018, there are some portions of the law that have immediate implications on virtually all businesses.

**Some of these requirements** immediately impacting the business world take effect as early as October 2010, with a grandfather provision that may apply. Individuals and employer groups that wish to keep their current policy may do so on a grandfathered basis IF the only plan changes are to add or delete new employees and dependents, or if the plan is part of a collective bargaining agreement. Certain provisions will be added as consumer protections. Changes will not impact grandfathered status, but may increase cost.

**Two tax credit options** are available for small businesses under the HCR law for 2010:

- Phase one of a small business premium tax credit.
- Small employers with less than 25 full-time equivalent employees may be eligible for a tax credit on a sliding scale based on the number of employees and average payroll.
- The tax credit can be up to 50% of the premiums for up to two years if the employer contributes at least 50% of the total premium cost.
- The average salary of all employees must be \$50,000 or less.
- Businesses with no tax liability and non-profits are still eligible for the credit.
- A federal grant program will be available for small employers implementing and/or providing a formal wellness program to their employees.

Aspects affecting all group sizes and grandfathered plans, both fully-insured and self-funded are:

- *Lifetime limits* on the dollar value of benefits will be prohibited.
- *Annual limits* on benefits will be phased out by 2014, but are subject to very limited use before that date.
- Dependents, including married dependents, will be eligible for coverage under their parent's health plan up to age 26; except grandfathered plans only need to cover dependents that don't have another source of employer-sponsored coverage (through 2014).
- Specific preventive services are mandated to be covered with no cost sharing.
- Preexisting conditions must be covered for all children 19 and under.
- Emergency services will be covered as in-network, regardless of provider.
- Insureds will be able to choose any in-network doctor as their primary care physician.

**A national program will create** high-risk pool coverage for people unable to obtain current coverage due to preexisting conditions. The program can work with existing State high-risk pools and will phase out by January 1, 2014 in conjunction with mandatory Exchanges in place.

The largest impacts of the Health Care Reform law have various implementation dates through 2018. However, many of the specifics of these changes are still to be determined. Stay tuned for future updates!

To better prepare for the complex and long term effects that Health Care Reform will have on you and your business, or for more information, please contact your trusted advisor at Swartzbaugh-Farber—Client Centered – Client Advocates™.

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