

Affordable Care Act Summary of Fees and Penalties

EXPENSE TYPE	PATIENT CENTERED OUTCOMES RESEARCH INSTITUTE FEE	TRANSITIONAL REINSURANCE FEE	EMPLOYER SHARED RESPONSIBILITY**	FAILURE TO OFFER COVERAGE PENALTY**	INDIVIDUAL MANDATE	CADILLAC EXCISE TAX
EFFECTIVE DATE	FY 13 - 19	FY 14 - 16	JANUARY 2015 OR FIRST PLAN YEAR FOLLOWING AND ONGOING	JANUARY 2015 AND ONGOING	TAX YEAR 2014 AND ONGOING	FY 18
RESPONSIBLE PAYER	Plan (Paid by Plan)	Plan (Paid by Plan)	EMPLOYER (PAID BY EACH INSTITUTION)	EMPLOYER (PAID BY EACH INSTITUTION)	INDIVIDUAL TAXPAYER	Plan (Paid by Plan)
ESTIMATED FEE/COST	<p>\$1 per covered person for FY13</p> <p>\$2 per covered person for FY14</p> <p>\$3 per covered person for FY15</p> <p>Fee will be indexed each following year</p>	<p>\$63 annually per covered person for FY14, FY15, FY16</p>	<p>\$3,000 per each full-time employee who enrolls in coverage through the Marketplace and who receives a federal subsidy.</p>	<p>\$2,000 per each full-time employee, minus 30 employees if 95%*** of the full-time employees are not offered medical coverage at that institution and one person enrolls in coverage through the Marketplace and receives a subsidy.</p>	<p>2014* \$95 2015* \$325 2016* \$695</p> <p>After 2016*, indexed for inflation in \$50 increments</p>	<p>40% excise tax on the amount of the medical insurance premium that is above the established limits</p>
COMMENTS	<p>Fee will partially fund the institute that will assist patients, clinicians, purchasers and policy-makers in making informed health decisions through the dissemination of comparative clinical effectiveness research findings.</p>	<p>Fee supports the reinsurance payment to individual market insurers that cover high cost individuals</p>	<p>Penalty is accessed if a 30 hour or more employee enrolls in coverage through the Marketplace, qualifies for <u>and</u> receives a subsidy. Eligibility for subsidy is a total household income of up to 400% of the poverty level and the cost of employee-only coverage exceeds 9.5% of the employee's salary.</p>	<p>Penalty applies to employers who do not offer coverage to 95% of the "full-time workforce" or do not offer minimum value coverage.</p> <p>State Medical Plans do meet the minimum value standard. However, the institutions must measure the workforce and offer medical coverage to those who are full-time** in order to ensure compliance with the 95% rule.</p>	<p>The effective date was 2014 until announcements from Health and Human Services moved the Individual mandate to begin in 2015.</p>	<p>If by 2018 the premium for the medical plan exceeds \$10,280 for individual coverage or \$27,500 for family coverage the Cadillac Excise Tax could be imposed. More information forthcoming about this tax as 2018 nears.</p>

** = "Full-time" is defined under the Affordable Care Act as a person working 30 or more hours per week or 130 hours per month.

*** = For 2015, 70% of full-time employees. For 2016 and beyond, 95% of full-time employees.