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LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

PPC's Guide to Health Care Reform

Tenth Edition (November 2018)

Highlights of this Edition

The following are some of the important new features of this edition of *PPC's Guide to Health Care Reform*:

- **2018 Form Guidance.** This edition includes guidance on completing the 2018 Form 8965 (Health Coverage Exemptions), Form 8962 (Premium Tax Credit), and Forms 1095-B (Health Coverage) and 1095-C (Employer-Provided Health Insurance Offer and Coverage).
- **Employer Penalties.** The IRS has begun sending letters to employers that may potentially be subject to a Section 4980H employer mandate penalty for 2016. This update includes the latest guidance on responding to the IRS penalty letters.
- **New HRAs.** The IRS has released proposed regulations that, if finalized, will allow two new types of HRAs to be offered beginning in 2020. This edition includes information on the proposed regulations.
- **Association Health Insurance Plans.** The latest DOL guidance regarding health insurance plans offered by associations has been added in this edition.

In addition to these featured items, your *Guide* includes the following update items detailed below.

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 1 Introduction	1. Additional terms and definitions have been added to the glossary of key terms.	Appendix 1C
CHAPTER 2 Health Insurance Mandate for Individuals	1. The Tax Cuts and Jobs Act (TCJA) suspends the personal exemption deduction for tax years 2018–2025. A discussion on how this suspension is handled for purposes of the individual shared responsibility penalty has been added in this update. 2. The IRS and HHS have issued new guidance concerning short-term, limited-duration health insurance coverage that lengthens the coverage period available for such insurance. The new guidelines are discussed in this edition. 3. A discussion on a new religious exemption to the individual mandate that is available beginning in 2019 has been added in this update. 4. Beginning in 2018, a hardship exemption can be claimed when an individual files his or her federal income tax return. This update includes a discussion on this change.	Section 201 Section 203 Section 204 Section 204

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
	5. For 2018, fewer individuals will have to complete Form 8965 (Health Insurance Exemptions). This section explains when Form 8965 is required to be completed for 2018.	Section 206
	6. This appendix has been updated with information on the exemptions available for 2018 and how they are granted and reported.	Appendix 2A
	7. The newest version of the hardship exemption application has been added in this update.	Appendix 2N
	8. The individual shared responsibility penalty chart has been updated for the 2019 inflation-adjusted amounts and percentages.	Appendix 2Q
CHAPTER 3 Premium Tax Credit and Cost-sharing-reduction Subsidy	1. The TCJA suspends the personal exemption deduction for tax years 2018–2025. A discussion on how this suspension is handled for premium tax credit purposes has been added in this update.	Section 302
	2. The definition of tax family for Section 36B purposes has been updated to clarify that a taxpayer and/or spouse are part of a tax family only if they cannot be claimed as a dependent on another taxpayer's tax return.	Section 303
	3. The 2019 inflation-adjusted amounts for the limitation on payback of excess premium tax credits have been added in this appendix.	Appendix 3D
CHAPTER 4 Health Insurance Marketplaces	1. A discussion was added in this update that explains when an individual may qualify for a special enrollment period because of exceptional circumstances, such as a major disaster.	Section 401
CHAPTER 5 Health Insurance Mandate for Employers	1. A discussion on how participating in an association health plan affects the determination of whether an employer is an applicable large employer is included in this edition.	Section 501
	2. Information on IRS Letter 5699 that is being sent to employers the IRS thinks should have filed Forms 1095-C has been added in this update.	Section 511
CHAPTER 6 Fees, Taxes, and Noncompliance Penalties	1. HHS penalty amounts effective for assessments on or after October 11, 2018, have been added in this update.	Sections 601 and 602
	2. The PCORI fee amount per covered individual for plan years ending on or after October 1, 2018, and before October 1, 2019, has been added in this update.	Section 609
CHAPTER 7 Reporting Requirements	1. Under proposed regulations, employers that file 250 or more information returns of any type may be required to begin electronic filing of all information returns. Cautions have been added in these sections for employers to be alert for additional guidance from the IRS.	Sections 702 and 704
	2. These sections have been updated for line-by-line guidance for the 2018 Forms 1095-B, 1094-B, 1095-C, and 1094-C.	Sections 703, 705, and 706

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 9 Health Insurance Plan Requirements	3. This edition includes a discussion on IRS Letter 5699 that is being sent to employers the IRS thinks should have filed Forms 1095-C in prior years.	Section 704
	1. A discussion on group health plans offered by an association has been added in this edition that provides detailed guidance on the final regulations issued by the DOL. The final regulations make participation in an association health plan easier and may help small employers provide better health care benefits to their employees.	Section 901
	2. This edition has an updated discussion on how the term <i>employer</i> is defined by new DOL regulations concerning health plans offered by associations.	Section 901
	3. This new section has discussions on various types of health care benefits that are not subject to the market reform rules.	Section 904
	4. A discussion has been added in this edition on proposed HRA regulations that, if finalized, will allow HRAs offered beginning in 2020 to be integrated with individual health insurance coverage.	Section 907
	5. This update includes a discussion on a new excepted benefit HRA that is proposed to be allowed beginning in 2020.	Section 907
	6. The discussion on employer payment plans and other account-based plans has been moved to this new section.	Section 908
CHAPTER 10 Health Insurance Coverage Requirements	7. The 2019 inflation-adjusted permitted benefit limits for QSEHRAs has been added in this edition.	Section 909
	1. A new section has been added in this edition that contains all discussions related to women's preventive care services.	Section 1008
	2. The discussion on exemptions to the contraceptive care mandate has been updated with guidance from the final regulations issued in October 2018.	Section 1008
CHAPTER 11 Miscellaneous Provisions	3. The discussions on emergency care services and participation in clinical trials have been moved to separate sections.	Sections 1009 and 1010
	1. The inflation-adjusted HHS penalty amount for violations of medical loss ratio reporting and rebate requirements has been added in this section.	Section 1102
	2. The 2019 cost threshold and cost limitation amounts related to a qualified retiree drug subsidy program have been added in this edition.	Section 1103
CHAPTER 12 Small Employer Health Insurance Credit	1. This chapter has been updated with guidance on completing the 2018 Form 8941 (Credit for Small Employer Health Insurance Premiums).	Throughout
	2. The applicable wage limits for 2019 have been added to discussions in this chapter.	Throughout

