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Employee Benefits | Life Insurance | Risk Management

**TO: Clients of Sitzmann Morris & Lavis Insurance Agency**

**RE: Supreme Court Upholds Mandate, Strikes Medicaid Expansion**

At 10:15 A.M. Eastern Time today, Chief Justice Roberts released the U.S. Supreme Court decision on the constitutionality of various provisions of the Affordable Care Act (ACA). Chief Justice Roberts wrote the majority decision. The Justices split 5/4 on allowing the individual mandate to stand, but the vote on the Medicaid issue was 7/2 to strike down the ACA provision requiring states to expand coverage for the poor or lose Medicaid funding. The decision, though complex, found the individual mandate constitutional through the Constitution's taxing powers.

What's Next:

**2013:** Employers/insurers must provide a Summary of Benefits and Coverage (SBC) to all eligible employees at time of open enrollment for the 2012 plan years beginning after September 23, 2012. For insured plans, insurers must prepare and distribute the SBC. For self-funded plans, the burden falls on the employer to assure compliance with this rule.

Employers with 250+ employees also must include the value of health plan coverage on W-2s issued for 2012 tax year (by 1/31/13).

Plans must pay a \$1 fee based on the average number of participants in for plan years ending on or after October 1, 2012 for the Patient Centered Outcomes Research Institute. The payment is due no later than July 31 of the following year. (See the upcoming issue of *Insurance Brief* for additional details on this fee.)

**2014:** Employers must anticipate that the ACA provisions slated for 2014 will go into effect absent Congressional action. Some of the key requirements for 2014 include providing health care coverage for essential benefits to employees who work 30 or more hours per week and a

maximum waiting period of 90 days from date of employment. Plans, whether insured or self-insured, must be non-discriminatory (eliminating “management only” type plans).

We will provide you with a more detailed analysis of today’s Supreme Court ruling in the upcoming issue of *Insurance Brief*. As always, contact your SML Account team if you have any questions.

The information provided in this legislative update for our clients and colleagues is for general guidance only and is not intended to be, and does not constitute, tax or legal advice. We recommend that you consult with your tax and legal advisors for the interpretation or application of any laws for your particular circumstances and situation.