

April 25, 2016



bailey benefit news

HHS and IRS Updates

The U.S. Department of Health and Human Services (HHS) and the Internal Revenue Service (IRS) have issued the final 2017 Notice of Benefit and Payment Parameters. This affects both the group and individual plan markets.

COST-SHARING LIMITS FOR 2017

The 2017 limits on cost sharing will be \$7,150 for self-only coverage and \$14,300 for other-than-self-only coverage. 2016 limits are \$6,850 and \$13,700, respectively.

These maximum limits on cost sharing are different from the high-deductible health plan (HDHP) limits set by the IRS. The 2017 IRS HDHP limits are expected to be released this quarter and we will update you of these limits once they have been announced.

SAFE HARBOR PERCENTAGE FOR 2017

PUBLIC EXCHANGE ISSUES

- **Public exchange open enrollment.** The 2017 and 2018 open enrollment periods will run from November 1 to January 31 (the same as for 2016). Beginning in 2019, the open enrollment period will run from November 1 to December 15.
- **Employer notice.** Under the final notice, the public exchange will notify the employer when an employee enrolls in a qualified health plan, rather than when he or she is deemed eligible to enroll (as is currently the case). The notification may be on an employee-by-employee basis or for groups of employees. In either case, the notifications should be sent within a reasonable time frame to give employers as much time as possible to provide the greatest benefit to enrollees.
- **Employer appeals.** If an employer prevails in an appeal that their employees are not eligible for a subsidy, under final notice, the public exchange must promptly re-determine eligibility and notify the employee of the requirement to report changes in eligibility.

2017 AFFORDABILITY PERCENTAGE

The IRS released the 2017 indexed affordability percentage that is used to calculate an individual's premium tax credit as well as the employer's safe harbor threshold. For 2017, the percentage is 9.69%, up from 9.66% in 2016.

As more updates are made available, we will notify you. If you have any questions, please do not hesitate to contact us.



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This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.