0710.90 Health Care Reform

University of Maine System Health Care Reform Policy

How National Health Care Reform Affects UMS Health Insurance Plans: Health insurance reform legislation passed by Congress and signed into law by President Obama on March 23, 2010, provides sweeping changes in many areas of the health insurance industry, some of which will affect the University of Maine System health insurance plans. The Patient Protection and Affordable Care Act (PPACA) is phased in over a period of years. Some provisions take effect as early as 2011, and all the changes will occur by 2019.

Form 1095-C

If you were a UMS employee working 30 or more hours per week or enrolled in healthcare coverage from UMS at any point in 2020, a 1095-C Form will be mailed by March 02, 2021, however, self-service may be available sooner. Stay tuned to email notifications. Your Form 1095-C is not required to file your 2020 Income Tax Return.

See Frequently Asked Questions for more information.

Effective January 1, 2015:

Employer Mandate: Effective January 1, 2015, the ACA requires that anyone working 30 or more hours per week be offered affordable employer-provided health insurance. UMS already offers benefits to all regular employees who work 20 or more hours per week, however, temporary employees may become eligible under this new law.

Effective January 1, 2014:

Individual Mandate: Effective January 1, 2014, individuals must purchase "minimum essential coverage" - health coverage that meets the government's basic standards or lose their personal Federal income tax exemption.

Effective October 1, 2013:

The Health Insurance Marketplace (Exchange) launches October 1, 2013: As part of healthcare reform, the Health Insurance Marketplace (healthcare.gov) will help individuals and families get health coverage that meets their needs and fits their budget. When employees use the Health Insurance Marketplace, they will fill out an application and see all of the health plans available in their area. You will find out if you can get lower costs on monthly premiums for private insurance plans and learn if individuals qualify for lower out-of-pocket costs. The Marketplace will also tell individuals if they qualify for free or low-cost coverage available through Medicaid or the Children's Health Insurance Program (CHIP).

As a UMS benefits-eligible employee, if you buy a plan through the individual Marketplace, you may not qualify for lower costs monthly premiums or out-of-pocket costs. It will depend on household income and the cost of the UMS health plan for which you are eligible. The Marketplace application process may request information about an individual's eligibility for job-based health plans. Contact the UMS Employee Benefits Center for more information regarding your eligibility for UMS health plans.

Effective January 1, 2013:
FSA Health Care Maximum Election Amount: As part of National Health Care Reform, the maximum amount you can set aside in the Health Care FSA is being reduced from $4,000 to $2,500 for calendar 2013. The Dependent Day Care FSA annual maximum remains at $5,000 per household.

2012 Form W-2 Reporting of Employer-Provided Health Coverage:

Under federal tax regulations, the University of Maine System must begin reporting the value of health coverage provided by the University on your W-2 for calendar 2012. The exact amounts will vary depending on whether you are covered by the CIGNA Copay or Choice Plans and your coverage level. Approximate values that will be reported on your Form W-2 are as follows:

- $ 6,900 (Employee Only)
- $ 15,300 (Two-Person)
- $ 19,400 (Family)

Under current tax law, the amount on your W-2 is not taxable.

Summary of Benefits and Coverage (SBC): As a result of National Health Care Reform, UMS is required to provide employees with an easy-to-understand summary about a health plan’s benefits and coverage. UMS Summaries are available at: 0710.10 UMS Health Insurance Plans. All insurance companies and group health plans must use the same standard SBC form to help employees compare health plans. Specific Preventive Medications at No Cost: In accordance with health reform, certain prescription medications (as well as specific over-the-counter medications) will be available to you at no cost (copay, coinsurance, and/or deductible).

Effective January 1, 2011:

REMOVAL OF ANNUAL AND LIFETIME MAXIMUMS for ESSENTIAL SERVICES: UMS will be removing all lifetime and annual maximum benefits for essential health services to the extent these exist within our programs.

Essential Health Benefits include at least items and services in the following broad categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance abuse disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

NEW DEFINITION OF ELIGIBILITY FOR ADULT CHILDREN: Adult dependent children can enroll in the medical plan, up to age 26. Note that although National Health Care Reform does not apply to dental, vision, and dependent life insurance programs, UMS will be adopting this new definition for these benefits plans as well. Expenses for adult dependent children are also eligible for reimbursement under the 0710.60 Flexible Spending Accounts (FSA).

ADOPTION OF THE PREVENTIVE CARE MANDATE: UMS will early adopt the preventive care mandate, which provides first dollar coverage for certain preventive health services. These services will no longer have a copay, and will not be subject to deductibles and coinsurance. Although this benefit will increase UMS costs in the short-term, the hope is to remove any financial barriers for members to receive critical preventive health care and avoid more costly services in the long term. This investment in employee and family health is consistent with the RiseUP program and message of the importance of good health.

FLEXIBLE SPENDING ACCOUNT REIMBURSEMENTS FOR OVER-THE-COUNTER MEDICATIONS: As part of National Health Care Reform, there are new limitations for “over-the-counter” (OTC) items. Many items that used to be considered “eligible expenses” for FSA use are no longer allowed. Other items are still “eligible,” but a formal prescription is required to document the need.

Further information about Health Care Reform is available at the following websites:

- http://www.healthreform.gov/
- http://healthreform.kff.org/
- http://www.naic.org/index_health_reform_section.htm

Although the law contains some positive marketplace reforms, it also adds several new excise taxes and other revenue-generating provisions that will ultimately be passed on to employers and increase our medical plan costs. UMS is committed to partnering with collective bargaining representatives and our employees to carefully monitor increasing plan expenses and find ways to control costs while continuing to offer employees and retirees meaningful, affordable health insurance. With that in mind, we need all employees, retirees, and their dependents to actively participate in the UMS wellness program and campus-based health initiatives that will help us improve our health and become more prudent consumers of health care.

Contact Employee Benefits Center

If you have a question about benefits enrollment, contact the UMS Employee Benefits Center toll-free 866-269-9635 (or 973-3373) or email benefits@main e.edu. Providing your Employee ID number makes for faster service.