

EXPERT UPDATE



EXPECT AN EXPERT

Certain expatriate health plans will now receive ACA relief

The Expatriate Health Coverage Clarification Act provides permanent ACA relief for some expatriate plans, including self-insured programs. Qualifying plans are exempt from the following mandates and fees:

- Annual and lifetime limits
- Required dependent coverage to age 26
- Preventive health services
- Summary of Benefits and Coverage (SBC)
- Essential health benefit requirement
- Prohibitions on pre-existing conditions, excessive waiting periods
- PCORI fee
- Transitional Reinsurance Fee
- Health Insurance premium tax
- Cadillac Tax*

**Exemptions will not apply to employer-sponsored coverage of a qualified expatriate assigned to work in the U.S.*

Keep in mind that the coverage offered under qualified expatriate plans will count as minimum essential coverage for the individual mandate, the employer shared responsibility provision (play or pay), and the IRS Code §§ 6055 and 6056 reporting requirements.

If you offer expatriate health plans, it's a good idea to carefully evaluate whether they meet the conditions for exemption before checking them off your compliance list.

Plans issued or renewed on or after July 1, 2015 will be considered exempt if they meet the coverage and participation requirements.

Coverage

To be considered exempt, plans must offer:

- ACA minimum value coverage
- Inpatient hospital services, physician services, emergency services
- Substantial benefits which are not "excepted benefits" (i.e., limited scope dental, vision, health FSA)
- Extended dependent coverage (if already offered) up to age 26



EXPECT AN EXPERT

- Coverage with an Expatriate health plan issuer licensed to sell insurance in over two countries with:
 - network provider agreements for direct claims payment in eight or more countries
 - call centers in three or more countries that accepts calls in eight or more languages
 - at least 1M in annual claims in foreign currency equivalents
 - global evacuation/repatriation coverage
 - legal and compliance resources in three or more countries
 - reimbursement in local currency for services in eight or more countries

Federal mandated provisions such as HIPAA special enrollment rights and nondiscrimination provisions, ERISA section 503 claims requirements, and ERISA Part 1 reporting and disclosure provisions.

Participation

Plans are exempt only if the participants enrolled fall into certain categories of covered employees:

Foreign national employees in the U.S.

Employees who are temporarily transferred to fill a need with their skills or expertise, reasonably require health insurance in more than one country, and periodically receive offers for other multinational benefits from their employer.

Expatriate employees outside the U.S.

Employees working outside the U.S. for at least 180 days during a consecutive 12-month period that overlaps with the plan year.

Charitable Employees

Members of a group who are traveling or relocating internationally for nonprofit work and require access to health insurance and other related services in multiple countries.

Please note that the information contained in this document is designed to provide authoritative and accurate information in regard to the subject matter covered. However, it is not provided as legal or tax advice and no representation is made as to the sufficiency for your specific company's needs. This document should be reviewed by your legal counsel or tax consultant before use.

Additionally, the messages and content within the Pittsburgh Health Care Reform group do not reflect the advisory services of Henderson Brothers, Inc.

EXPECT AN EXPERT