

2014 UPDATE: *Affordable Care Act* (ACA)

The *Affordable Care Act*, the health care reform legislation passed in 2010, originally mandated health insurance coverage for everyone starting January 1, 2014. But the law's complexity soon made it evident that the requirements would have to be revised. The first change was the one-year delay in the requirement that companies with 50 or more full-time employees provide "affordable, minimum essential coverage" to their employees.

When the October 1 launch of the government website setting up an insurance Marketplace for individuals proved to be a disaster, even more changes to the law were announced. Here's an overview of those changes.

NOVEMBER 14 – Insurance companies had cancelled a number of plans that did not meet the law's requirements for affordable, essential coverage. People who had these plans and were happy with them objected to losing their coverage. President Obama announced that states could allow a one-year extension of these plans. Insurance regulators in many states have refused to allow the extension.

NOVEMBER 21 – Originally the deadline for signing up for insurance to be effective January 1, 2014, was December 15, 2013. On November 21, it was announced that the deadline would be extended to December 23, 2013.

DECEMBER 13 – President Obama urged insurers to be flexible in dealing with those trying to buy coverage and allow people to sign up later in January 2014 for coverage retroactive to January 1. Insurers were also asked to cover care by any doctor or hospital in January and to cover prescription refills in January regardless of policy restrictions. In response to these requests, the insurance industry said it would allow payment for January 1 coverage as late as January 10, 2014. (Some insurers extended the payment deadline to January 31.)

DECEMBER 19 – The government announced that individuals whose insurance policies were cancelled because they did not meet the ACA's requirements would be allowed to apply for hardship exemptions from the coverage mandate for 2014. Those qualifying for the hardship exemption may go without health insurance for 2014 without paying a fine or choose bare-bones "catastrophic" coverage. Catastrophic plans were originally intended for those under age 30. These plans usually have the lowest premiums and are not eligible for federal subsidies.

DECEMBER 23 – As this deadline for buying coverage arrived, the deadline was moved again – by one day to December 24.

The complexities of the *Affordable Care Act* remain, and it seems very likely that additional rule changes will be made as the law's provisions continue to roll out. We will make every effort to keep you informed about changes that could affect your tax situation.