

# COMPLIANCE CHECKLIST 2019



**To prepare for the next phase of the Affordable Care Act's mandates and other ongoing requirements, make sure you have a compliance strategy in place. This checklist is designed to assist you with compliance planning in 2019.**

## Affordable Care Act

Confirm your group health insurance plans are in compliance with the following:

### Pay or Play

First, count the number of employees your organization employed last year to determine if your organization is an applicable large employer (ALE). If your organization employed 50 or more full-time and full-time equivalent workers, it would be subject to Pay or Play in 2019. Then take the following steps:

- Determine whether health insurance coverage is offered to at least 95% of your full-time employees (working, on average, at least 30 or more hours per week) and their dependent children.
- Review whether the plan provides minimum value by using one of the three available methods—minimum value calculator; safe harbor checklists; or actuarial certification— and/or confirm the information provided from the fully insured carrier on the Summary of Benefits and Coverage.
- If your organization's MV Plan or MVP Arrangement does not provide coverage for in-patient hospitalization services and physician services, it will not meet the ACA's minimum value requirement, even if it satisfied the minimum value calculator's requirements.
- Assess the affordability of your lowest-cost single tier health coverage under one of the IRS's affordability safe harbors (form W-2, rate of pay, or federal poverty line). In 2019, the affordability threshold is 9.86%.

## Other ACA Compliance Requirements

### Out-of-Pocket Maximums

Make sure the plan's out-of-pocket maximums are limited to \$7,900 for single coverage and \$15,800 for other than self-only coverage, and that accumulators under separate benefit

plans (such as medical and prescription drug plans) are combined toward these maximums.

### Waiting periods

Ensure waiting periods for coverage have been reduced to 90 days or less, unless an exception applies.

### W-2 Reporting

Continue to report the aggregate cost of coverage on employees' Form W-2 (employers that file 250 or more W-2s).

### Summary of Benefits and Coverage (SBC)

Continue to provide plan participants with an SBC during open enrollment and to new hires thereafter. Note that, for plan years beginning on or after April 1, 2017, the SBC must be provided in the new, updated format. See our eAlert on the new SBC format, available [HERE](#).

### Exchange Notice

Ensure that the Exchange Notice continues to be provided within 14 days of the date of hire. This notice explains the conditions for which an employee is eligible for a subsidy under the Exchanges.

### Medical Loss Ratio

Distribute within 90 days of receipt of any medical loss ratio rebates (applies only to fully insured plans).

### Wellness Programs (compliance with ACA, HIPAA, ADA and GINA)

Confirm that your wellness programs with medical examinations or disability-related inquiries comply with final regulations issued under the ADA and GINA in 2016 (see our eAlert on this topic, available [HERE](#)), and that health-contingent wellness programs comply under HIPAA, as amended by the ACA. Note that a special privacy notice is required

under the final ADA regulations for plan years beginning on or after January 1, 2017 (see our eAlert on the privacy notice available [HERE](#)).

### Patient Centered Outcomes Research Fee (PCOR)

Review health coverage provided to determine if it is subject to PCOR; payment is due July 31, 2019.

### Information Reporting:

First, count the number of employees your organization employed last year to determine if you are an ALE with 50 or more full-time and full-time equivalent workers. If you are an ALE in 2019, take the following steps:

- Determine which IRS information reporting requirements apply to your health plans.
- Analyze the information you will need for reporting and coordinate internal and external resources to help track required data in 2019.

For 2018 information reporting submitted in 2019, note that:

- The deadline for furnishing the 2018 Forms 1095-C and 1095-B to employees/enrollees, was extended to March 4, 2019.
- The deadline for filing the forms with the IRS is February 28, 2019, if not filing electronically, and April 1, 2019, if filing electronically.

### QSEHRAs under the 21st Century Cures Act:

If your organization is not an ALE in 2019 because it employed less than 50 full-time and full-time equivalent workers, and if your organization did not offer a group health plan to any of its employees, then you may be eligible for a special type of health reimbursement arrangement (HRA) that is



# HEALTHCARE REFORM COMPLIANCE CHECKLIST 2019

not subject to the ACA's many HRA-related compliance requirements. The new "qualified small employer health reimbursement arrangement" (QSEHRA) allows employers to reimburse premiums of employees for coverage purchased in the individual health insurance market. Additional information about the QSEHRA is in our eAlerts on this topic [HERE](#) and [HERE](#).

## ERISA and Ongoing Compliance Responsibilities in 2019

Ensure compliance with, and that amendments have been finalized for, the following:

### Disability Claim Procedures

In late 2016, the DOL released new final regulations under ERISA on disability claim procedures that are applicable to all claims for disability benefits filed on or after January 1, 2018. In 2019, sponsors should confirm with insurance carriers that documents and processes have been updated. Additional information can be found in our eAlert on this topic [HERE](#).

### Form 5500s

Ensure that Form 5500s have been filed by the end of the 7th month following the end of the plan year, and that the Summary Annual Report is provided to participants within 2 months after the Form 5500 filing. Also, ensure that all other reporting and disclosure requirements have been complied with, including the time limits for disclosure of SPDs and SMMs. Note that the DOL increased the penalties for noncompliance with the Form 5500 requirements effective January 2, 2018.

### Annual Notices

Ensure that all required annual notices have been provided to participants including the Children's Health Insurance Program Notice, Women's Health and Cancer Rights Act Notice, HIPAA Special Enrollment, Newborn's & Mother's Health Protection Act, Women's Health and Cancer Rights Act, USSERA, QMCSO, Mental Health Parity, and Medicare Part D.

### Creditable Coverage Status

Report annually to the Centers for Medicare and Medicaid Services (CMS) the creditable

coverage status of prescription drug plans via online form by no later than 60 days from the beginning of a plan year.

*NOTE: The Corporate Synergies 2019 Compliance Checklist is designed to help plan sponsors of health and welfare plans identify significant compliance requirements in 2019. It is not designed to identify all compliance obligations.*

*Information contained in this Compliance Checklist is subject to change due to the ongoing release of additional or clarifying legislation or regulatory guidance by the U.S. Department of Labor, Internal Revenue Service, or other applicable regulatory agencies throughout the year.*

*Corporate Synergies is not a law firm, and accordingly, the contents of this Compliance Checklist do not constitute legal advice. The information provides only general guidance and not all rules and requirements are reflected.*

## Synergies360<sup>SM</sup>

Corporate Synergies takes a full view of the insurance landscape, studies it from every angle, pursues innovation where none exists, and transforms this deeper understanding into actionable strategies to protect our clients and their participants. We call our approach Synergies360.



For more information  
visit [corpsyn.com](http://corpsyn.com) or call  
**877.426.7779**