At A Glance

	SMALL EMPLOYERS (LESS THAN 50)	EMPLOYERS "ON THE BUBBLE" (40-70)	LARGE EMPLOYERS WITH FULLY INSURED PLAN	LARGE EMPLOYERS WITH SELF-INSURED PLAN
PLANS MUST OFFER FAMILY COVERAGE TO ADULT CHILDREN UNDER AGE 26	Will increase cost to employer because coverage for these additional dependents will be included in calculation of premiums.	Will increase cost to employer because coverage for these additional dependents will be included in calculation of premiums.	Will increase cost to employer because coverage for these additional dependents will be included in calculation of premiums.	Will likely increase cost to employer because coverage for these additional dependents will increase claims experience.
PLANS CANNOT INCLUDE ANNUAL OR LIFETIME COVERAGE LIMITS	Will increase cost to employer because costs of elimination of limits will be included in calculation of premiums.	Will increase cost to employer because costs of elimination of limits will be included in calculation of premiums.	Will increase cost to employer because costs of elimination of limits will be included in calculation of premiums.	Will increase cost to employer because costs of elimination of limits will be included in calculation of premiums for plan's stop-loss carrier or will expand coverage requirements.
PREVENTIVE SERVICES AT NO COST TO PLAN PARTICIPANTS Plans must include coverage for an array of enumerated preventive services.	Will increase cost to employer because coverage for these additional services will be included in calculation of premiums.	Will increase cost to employer because coverage for these additional services will be included in calculation of premiums.	Will increase cost to employer because coverage for these additional services will be included in calculation of premiums.	Will increase cost to employer because coverage for these additional services will require an expansion of plan benefits.
NONDISCRIMINATION Fully Insured Plans must follow nondiscrimination rules that previously applied only to self-insured plans—cannot discriminate in favor of highly-compensated individuals. **The nondiscrimination rules are currently undergoing further regulatory revision. Thus, employers that exclude classes of employees from coverage or who charge differing premium amounts for certain classes of eligible employees may have to modify their eligibility rules or their contribution structure. These expansions of coverage may force employers to abandon offering employer-sponsored plans.*	Since "highly compensated" may reach as many as the top 25 percent by compensation, small employers who have sponsored a health plan but only covered a select group may have to choose between covering virtually all full-time employees or abandoning the employer-sponsored plan. Abandonment may be much more affordable since there is no penalty; many may qualify for tax subsidies for exchange-purchased policies.	Same as small employers under 50, with the added complication that these employers may be subject to penalties if they elect to drop coverage; emphasizes importance of number of full-time employees.[1]	If the plan is discriminatory in coverage or benefits, large employers may have to add new groups as eligible to participate, increasing the employer's plan cost. Dropping coverage may not be a competitive option, and the penalty cost may outweigh the cost of coverage expansion.[2]	These employers are not affected because they are already subject to nondiscrimination requirements. Of course, new regulations and enforcement orders may affect these employers in the future.
AUTO-ENROLLMENT Employers with more than 200 full-time employees who offer enrollment in one or more plans are required to automatically enroll new employees in one of their offered plans; employees can opt out.	Not Applicable	Not Applicable	Will increase enrollment and corresponding costs of offering plans.	May increase enrollment; however, the increased enrollment will only increase cost if the claims experience for those "unanticipated" additions exceed the cost paid by the employee.
NO PRE-EXISTING CONDITION EXCLUSIONS Group health plans and individual policies must eliminate pre-existing condition exclusions.	Will increase cost to employer because coverage for pre-existing conditions will be included in calculation of premiums.	Will increase cost to employer because coverage for pre-existing conditions will be included in calculation of premiums.	Will increase cost to employer because coverage for pre-existing conditions will be included in calculation of premiums.	Will increase cost to employer because coverage for pre-existing conditions will be included in calculation of premiums.
PLAN MUST COVER ALL FULL-TIME EMPLOYEES OR PAY A PENALTY, AND PLAN MUST BE AFFORDABLE Employers must provide affordable, qualified coverage to all full-time employees or pay a penalty.	Not Applicable	This requirement applies to employers with 50 or more full-time equivalents, so these employers will need to be vigilant about their number of employees and the hours they maintain.	These plans must be affordable; the employee's portion of his premium for self-only coverage cannot exceed 9.5 percent of his household income.	These plans must be affordable; the employee's portion of his premium for self-only coverage cannot exceed 9.5 percent of his household income.
COMMUNITY RATING AND "AGE BAND" IN PLANS CANNOT EXCEED 3:1 Premiums cannot vary based on health status, and premium differences based on age cannot exceed a 3:1 ratio, so insurance for the oldest participants cannot be more than three times the rate for the youngest participants.	Tighter age bands and the elimination of other health factors will increase premiums for younger, healthier people while reducing premiums for the older and historically less healthy population. Employers with younger employees should expect an increase in premiums and a decrease for older employees. The composition of the work force will determine the impact of these provisions.	Tighter age bands and the elimination of other health factors will increase premiums for younger, healthier people while reducing premiums for the older and historically less healthy population. Employers with younger employees should expect an increase in premiums and a decrease for older employees. The composition of the work force will determine the impact of these provisions.	Tighter age bands and the elimination of other health factors will increase premiums for younger, healthier people while reducing premiums for the older and historically less healthy population. Employers with younger employees should expect an increase in premiums and a decrease for older employees. The composition of the work force will determine the impact of these provisions.	Tighter age bands and the elimination of other health factors will increase premiums for younger, healthier people while reducing premiums for the older and historically less healthy population. Employers with younger employees should expect an increase in premiums and a decrease for older employees. The composition of the work force will determine the impact of these provisions.

[1] These "bubble employers" will have to consider which is more expensive: adding additional employees in order to satisfy the nondiscrimination prohibition or paying the penalty. There may be no penalty since the penalty is based on the number of bona fide full-time employees (>30 hours per week) MINUS 30. The result is that even though the employer may be large enough to be an "applicable large employer" and, therefore, subject to the penalties, getting to subtract 30 when calculating the penalty ($2,000 X [# of Full-Time Minus 30]) may suppress the actual penalty to zero.

[2] Factors employers will be forced to consider: ages of the full-time employees who, before the act, have been excluded and who now must be offered coverage in order to produce a nondiscriminatory fair cross-section (the younger they are, the more favorable eligibility expansion becomes when compared to the cost of the penalty).