

NEW JERSEY

CPA

Magazine of the

New Jersey Society of Certified Public Accountants

Jan • Feb 2011

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Finding the Wellness Program Hidden Gems in the PPACA

BY DONALD MALLO, EXTENSIS GROUP LLC

Much has been written regarding the features of the Patient Protection and Affordable Care Act (PPACA) that was enacted in March 2010. This complex statute has introduced us to a variety of new terms – non-discrimination testing, health exchanges, connectors and navigators – that continue to confuse employers, employees, governmental regulators and their professional advisors. Lost in this ponderous and frequently ambiguous law is certain wellness and preventive care program gems that, until now, have been

overlooked and infrequently discussed.

For nearly 20 years, employers have looked for creative ways to improve the overall health of their employees and reverse the escalating cost of health insurance premiums. These searches have resulted in the implementation of such initiatives as smoker cessation programs, weight management plans, sponsored gym memberships and other creative initiatives designed to promote healthier lifestyles. The newly enacted PPACA has formalized these programs and established procedures to promote

them by rewarding employers for establishing wellness programs and preventative medicine initiatives and employees for participating in them. Here are several wellness programs covered under the PPACA:

Elimination of Co-Pays – Commencing with plan years after September 23, 2010, non-grandfathered plans are prohibited from requiring co-pays on preventive services, including immunizations and breast cancer screenings. Additionally, effective March, 2011, co-pays are also limited for certain preventive

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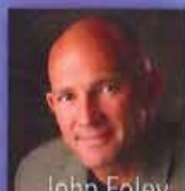
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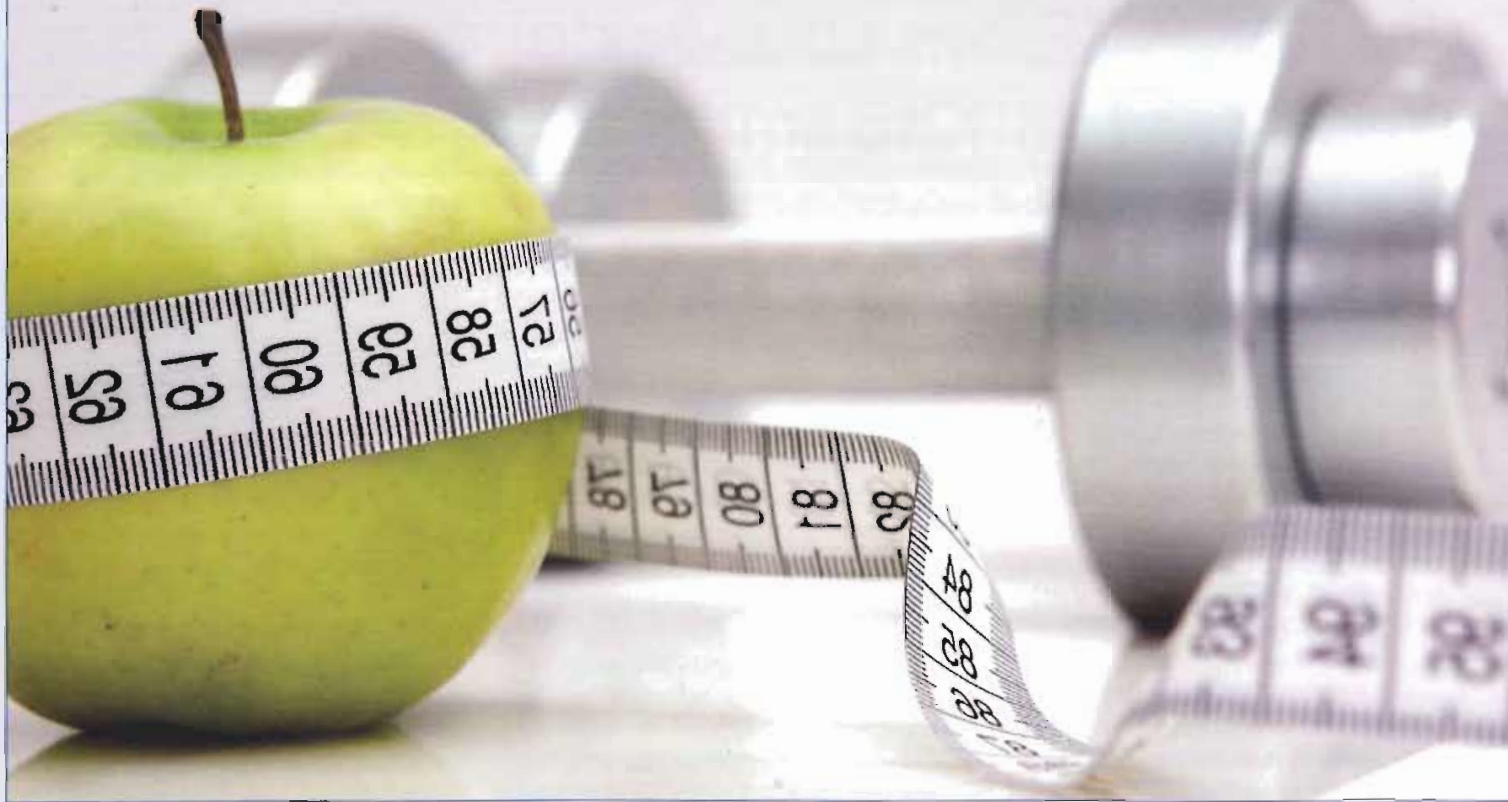
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services affecting Medicare and Medicaid recipients. (PPACA Sec. 4104-4108.)

Expanded Coverage – Effective in 2014, the Secretary of Health and Human Services is authorized to issue essential health benefits requirements that individual employees and health insurance exchanges must cover.

Employee Premium Discounts – Effective January 1, 2014, the PPACA increases the permissible discount that employers can pass on to employees participating in wellness programs. Currently, eligible employees may be able to reduce the cost of their health insurance premiums by up to 20 percent. That discount can increase up to 50 percent under the PPACA (Sec. 2705).


Grant Funds – The greatest gem hidden within the PPACA bureaucratic maze is found in Section 10408. This section creates a federal grant program designed to assist small businesses in establishing comprehensive workplace wellness programs. Approximately

\$200 million has been appropriated to fund the grant program for a five-year period. To qualify, employers must employ fewer than 100 employees working 25 hours or more per week and not have a workplace wellness program in place on March 23, 2010, the date the PPACA was enacted. The Secretary of Health and Human Services has been charged with developing the application process and issuing compliance guidelines. As of November 1, 2010, these guidelines have not been issued.

A consistent theme running throughout the PPACA is the promotion of wellness programs and preventative medicine. The PPACA fortifies the belief that wellness plans will reverse the trend of escalating health insurance costs, not to mention result in a healthier society.

It is highly recommended that eligible employers begin the preparation associated with applying for grant funds so that they can be

at the head of the line. Although the guidelines have not been issued, it is anticipated that they will be forthcoming. And, once issued, it is expected that the limited funds will go fast.

While it is far too easy to complain about the costs associated with the PPACA, employers and employees need to concentrate on the opportunities and beneficial provisions of the law, especially those relating to wellness and preventative medicine. From a business perspective, this is where you, as the trusted business advisor, can play a significant role. 

Donald Mallo, Esq., is the vice president of human resources and general counsel for Extensis Group LLC, a professional employer organization that provides innovative human resource, benefits, risk management and payroll services to small and mid-sized businesses. Learn more at www.extensigroup.com or by calling 888-473-6398.