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Beginning in 2014, a health insurance provider fee applies to covered entities engaged in the business of providing health insurance for United States health risks. United States health risks include the health risk of a U.S. citizen or a resident alien including those living abroad. Thus, insurers issuing expatriate policies covering a U.S. citizen or resident alien living abroad are subject to the fee. Medical, dental and vision carriers in the insured marketplace are subject to this fee. This fee does not apply to self-insured employer-sponsored plans.

For 2014, the aggregate annual collection amount is \$8 billion and will increase each year. Employers with insured group health plans should expect carriers to pass on the cost of this new fee in premiums.

Highlights of the final rule issued by the IRS include:

- Clarification that stop-loss insurance is not subject to the fee at this time. The agencies are concerned about certain self-insured arrangements and have sought further comment on the issue of self-insurance and stop-loss. However, stop-loss insurance will not be subject to the fee until such time and only to the extent that future guidance addresses the issue of whether, and if so under what circumstances, stop-loss coverage constitutes health insurance.
- An exemption from the fee for the following plans:
  - EAPs, disease management programs, and wellness programs that do not provide significant health insurance benefits.
  - Certain self-insured MEWAs that are not subject to M-1 reporting requirements. All other self-insured MEWAs are subject to the fee.
  - Voluntary Employees' Beneficiary Associations ("VEBAs") established by a union or collective bargaining agreement.

For a copy of the rule, visit: <http://www.gpo.gov/fdsys/pkg/FR-2013-11-29/pdf/2013-28412.pdf>