What Does the New Congress Mean for Health Reform?

November 14, 2014
State of Play: House

- GOP added at least 10 seats to their 233-seat majority
- GOP wants to repeal Obamacare – have had more than 50 votes in past three-plus years to repeal, defund, alter, etc.
- Haven’t figured out what to replace Obamacare with – different proposals introduced
State of Play: Senate

- GOP picked up 8-9 seats for a 53-54 seat majority
- GOP wants to repeal Obamacare but won’t have the votes – try to chip away
- Haven’t figured out what to replace Obamacare with – different proposals introduced
State of Play: President Obama

- World events are consuming a lot of his attention
- President is disengaged from Congress and aloof
- Toxic relations with GOP (and Dems aren’t much better)
- “Phone and pen” preferred course of action
Health Care Prognosis Until 2017

- Decent chance for TARGETED Obamacare changes under GOP-led House and Senate
Health Care – Changes to ACA

• Possible Legislative Changes Next Congress
  – 40 Hour Work Week Legislation
    • www.MoreTimeforFullTime.org
  – Medical device tax repeal
  – Other items less likely (HIT repeal, Benefit or insurance market changes)
ACA Changes – Other Battles

- Individual mandate repeal
- IPAB repeal
- Employer mandate repeal
  - Reporting requirements gone!
- Risk corridors
- Supreme Court case challenging exchange subsidies
Health Care – Chamber Focus

• Mitigating harmful impact on businesses
  – Pragmatically try to repeal parts, delay parts, fix others working within political realities

• Focus on flexibility and affordability for employers

• Pushing positive solutions
  – Solutions Council report (on Chamber website)
ACA Fundamental Failure

- Didn’t address #1 issue – cost
- Focused on coverage expansion instead
  - Financed by more than $800 billion in tax hikes
Cost Remains the Top Concern

• Employers try to control health care costs:
  – Not offering spousal coverage
  – Moving to a HDHP
  – Offering Defined Contribution (private exchanges)
  – Self-insuring
  – Imposing benefit specific deductibles
  – Dropping PT coverage
  – Narrowing networks
ACA Implementation Challenges

- Law is poorly written
- Parts of it conflict with other parts
- Jammed through on party-line vote
  - Neither side willing to “fix” it
Health Care Regulatory Onslaught

• ACA: 2,700 pages = 20,000+ pages of regulations

• Overwhelming to biz
Health Care – Employer Mandate

- February 10, 2014 – “transition relief” in 2015 and 2016 for those with more than 50 BUT less than 100 FTEs
  - Maintain workforce and hours of service
  - Maintain previously offered coverage
  - Certify that it meets these requirements

- 100+ FTEs:
  - 70% coverage offer in 2015
  - 95% coverage offer in 2016
Health Care – Reporting Requirements

• Final rules issued
• Draft forms and draft instructions issued – minor tweaks possible
• Tracking begins for 50+ employee businesses in January 2015 – 7 weeks away
  – Info on each full-time employee for each month
  – Need SSNs for everyone, including dependents
• Understand what is needed NOW
  – Work with your vendor(s)
Reporting Requirements Overview

**Reporting Requirements**

- Documentation to prove:
  - Employer mandate compliance
  - Individual mandate compliance
  - Eligibility for Premium Tax Credits
November Surprise!

• November 4 – Treasury/HHS notice regarding in hospitalization service reg
  – Large employers don’t have to meet EHB
    • Met the MV calculator w/o covering hospital services
  – Employers granted transition relief for 2015
  – Employees still eligible for exchange subsidies
Health Care Cancellations
Health Care Issues Going Forward

- Private exchanges expansion in ESI sector
- Viability of HSAs/HRAs and continued movement towards defined contributions
- Essential health benefits tweaks starting in 2016?
- “Cadillac” tax in 2018
  - 40 percent excise tax above threshold
More Information?

Visit

http://www.uschamber.com/health-care

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