

Health Care Reform: What It Means for Employers and Employees

*Session Three: What It All Really Means: An
Interactive Discussion*

**A Buck Consultants' Webcast Series
October 13, 2009**

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Introductions

- **Steve Ferruggia, FSA**, principal and Health and Productivity actuarial leader, has experience consulting on the strategy, design, and financing of health and welfare benefit programs for large plan sponsors
- **Sam Marra**, managing director, Health and Productivity, has extensive experience in the employee benefits field. He has successfully developed and managed a community health plan and has been involved in direct provider contract negotiations on behalf of a number of large health care employers
- **Chantel Sheaks**, principal, Government Affairs, is one of our pre-eminent technical experts and spokespersons in regard to Buck's interpretation of and position on regulations, legislation, and court decisions
- **Rich Stover, FSA**, principal and actuary, Health and Productivity, has specialized expertise in health plan strategy as well as plan design, pricing, and administration of health programs. He helps employers proactively and effectively comply with federal and state laws and regulations

Status

Senate

The Senate Finance Committee (SFC) passed the America's Healthy Future Act of 2009 on October 13, 2009

The Senate Health, Education, Labor, and Pension Committee passed the Affordable Health Choices Act on July 15, 2009

House

House Energy and Commerce Committee passed its markup of the America's Affordable Health Choices Act of 2009 on July 31, 2009

House Ways and Means and the Education and Labor Committees passed their markups on July 17, 2009

Changes to the SFC Markup

Employer Provisions

Assessment

The flat dollar amount would be based on the national average tax credit rather than the average taxes in the state exchange and would be based on the number of fulltime employees (working more than 30 hours per week)

Wellness Programs

Adopts the current regulations regarding premium discounts and increases the amount of employee only premiums from 20% to 30%

Changes to the SFC Markup (Cont.)

Individual Provisions

Min. creditable coverage may not have unreasonable annual or lifetime limits

Exempts the individual mandate for individuals whose premiums exceed 8 % (rather than 10%) of income

Reduces the excise tax for not having coverage to \$750 per adult (phased in over 5 years, with full amount applicable in 2017)

Reduces affordability for employer coverage from 13% to 10% of income

Changes to the SFC Markup (Cont.)

Individual Provisions (Cont'd)

Provides that the state exchange would provide coverage waivers to employers rather than the employee providing the waiver

Provides that out-of-pocket (oop) limits for individuals between 300-400% of the federal poverty level cannot exceed 2/3 of the oop limits for health savings accounts

Changes to the SFC Markup (Cont.)

State Opt-Out

Clarifies that ERISA, the Civil Rights Act, the American's with Disabilities Act, and any other law not in the Secretary of HHS' jurisdiction would not be waived

Retiree Reimbursement

Reimburses 80% of claims between \$15,000 - \$90,000 for individuals between 55 - 64 who are covered under plans that are appropriate for a mature population, offer preventative benefits, and have demonstrated cost-savings for those with chronic or high cost conditions. No provision requiring that the reimbursements reduce retiree costs

Cadillac Plans

The threshold amounts for retirees was increased to \$9,850(individual) - \$26,000 (family)

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Employer Mandate

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Individual Mandate

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Administrative Issues

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Retiree Health

Questions?

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