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Congress Repeals PPACA Health Care Voucher Program

President Obama has signed into law H.R. 1473, which funds the federal government through September 30, 2011. H.R. 1473 contains a provision repealing PPACA's health care voucher program.

Background

The Patient Protection and Affordable Care Act (PPACA) provides for health exchanges, employer penalties, vouchers, and individual mandates beginning in 2014. Under the voucher program, employers that offered health coverage and paid a portion of the cost of the coverage would be required to provide certain qualified employees with a voucher that they could use to purchase coverage through a state health insurance exchange.

The voucher program was added to PPACA despite strong opposition. Opponents were concerned that the provision would lead to higher health care costs for employers with a large number of low-wage workers by encouraging young, healthy workers to opt out of the employer plan and purchase insurance in an exchange. Additional administrative complexity was also a major concern. Finally, while the voucher program only applied to a very limited number of employees, there was a concern that the program would be expanded to a broader group of employees.

Voucher Program Repealed

On April 15, 2011, President Obama signed into law H.R. 1473, the continuing budget resolution that will fund the federal government through September 30, 2011. The measure repealed the voucher program.

BUCK COMMENT. *This repeal is welcome news for employers as they map out their health benefit strategies for 2014 and beyond.*

Conclusion

The repeal of the voucher program and the earlier repeal of PPACA's Form 1099 information reporting requirements suggest that even if opponents do not repeal PPACA, Congress will continue to tinker with the law.

Buck's consultants are available to help you stay on top of the latest legislative developments.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.