

Happy Birthday to the PPACA!



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It's hard to believe that it was one year ago that President Obama signed into law the Patient Protection and Affordable Care Act (PPACA). At the bill's signing, the President promised "more security and more stability for Americans who have health insurance". While no one will claim that mission has yet been accomplished, one thing is clear – there remains a great deal of confusion. In last week's Kaiser Family Foundation survey, 53% of those surveyed said they are confused by the law, only slightly less than the 55% who reported the same last April. Last month's Kaiser poll found that almost half of those surveyed thought the law had been repealed.

It is no wonder people are confused. There has been so much information, much of it wrong, plus new rules seemingly being released or changed weekly, not to mention the lawsuits and the House's largely symbolic measure to repeal the law. The fact is, PPACA remains the law and it is having, and will have, far-reaching implications on employer-provided health plans. Waiting for its repeal does not seem to be a good strategy. So, while the courts wrestle with the legal challenges, the federal agencies struggle with the rules and regulations, and the states try to determine their roles, employers are beginning to look beyond the initial round of mandates - e.g. dependents covered to age 26, elimination of certain plan limits and the question of whether to grandfather or not.

Employers are starting to analyze their populations and benefit designs to determine what they want their plans to look like longer-term and to develop strategies to mitigate concerns from the major provisions coming in 2014, particularly the pay-or-play penalties. It will be critical for employers to understand how the eligibility and affordability provisions will impact them. The result will be very different depending upon the number of part-time and/or low-income employees in your group.

We did receive a couple of gifts from the government at year end with delays in the W-2 reporting requirement and the non-discrimination rules for fully-insured plans. The W-2 rule will go into effect in

2013 and the non-discrimination rules are expected to be effective no earlier than 2012.

A couple of provisions to be aware of this year include the HHS uniform benefit disclosure form which is scheduled to be released this week and will be required in 2012. Also starting next year, plans will be required to provide 60 days advanced notice of any changes. This will necessitate that the insurers get their renewals out sooner than they commonly do today (especially for smaller groups) and will force employers to accelerate their decision-making.

As much time as we have spent discussing PPACA, employers' #1 concern continues to be the affordability of their medical coverage - for the company and the employees. With cost trends continuing well above CPI, most employers' immediate concern is to come up with solutions to mitigate another cost increase - solutions that are not forthcoming from PPACA. It may be time to review and update benefit management strategies, including plan designs and funding approaches, as well as explore ways to engage employees in wellness and health management programs.