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Health Care Reform's Seven Quick Fixes

With all the debate going on in Washington about reforming health care, many are under the impression that if Congress passes a bill that's signed by President Obama, the entire health care landscape will change immediately. Not so, according to Congress.org.

In "Seven Quick Fixes to Health Care", Ryan Teague, Deputy Editor of Congress.org, says many of the more dramatic changes currently under consideration, such as the addition of insurance exchanges and individual insurance mandates, would not go into effect until 2013 or 2014. But Teague does identify seven provisions that would become effective in 2010. **Not all of the seven will affect employer plans, but the ones that do will require communication to employees.**

The seven changes Congress.org says we can expect in 2010 are:

- **Insurance for high-risk citizens:** Both the House and Senate bills would create a \$5 billion fund to provide temporary coverage for people with pre-existing conditions who have been without coverage for at least six months. The coverage subsidy would disappear once insurance exchanges are created.
- **Extending coverage to adult children:** Both House and Senate bills would allow parents to keep unmarried children on their health insurance until their 26th birthday (Senate) or their 27th birthday (House).
- **COBRA extension:** Both House and Senate versions would allow former employees to continue their COBRA coverage until the insurance exchanges are formed. This will have a direct and significant impact on employer plans, especially in light of the large number of lay-offs that have occurred over the past 12-18 months.
- **End to lifetime and annual limits on benefits:** Both House and Senate bills would end lifetime caps on coverage as well as restrict annual limits on health care benefits.
- **End to rescission:** Both bills will prohibit insurance plans from cancelling coverage on individuals who have made "honest mistakes" on their insurance applications. The bills do make an exception for instances where fraud has been committed.

See next page for more.

Seven possible legislative changes, continued...

- **Eliminating Medicare Part D's doughnut hole:** Both the House and Senate bills begin closing the "doughnut hole" in Part D by providing an additional \$500 of coverage beginning in 2010, increasing coverage gradually until the hole is closed entirely.
- **Tax plastic surgery:** The Senate bill would apply a 5 per cent tax on elective cosmetic surgery, but the tax would not apply in instances involving needed corrective surgery caused by accidents, disease or birth defects.

No one knows just what's going to survive the debate, and these "instant" remedies might not make it into the final legislation.

Nevertheless, one thing is certain: confusion will reign supreme and your employees and their dependents will need to know how reform will affect their employer-sponsored plans. **Clear and timely communication of the impact of whatever reform legislation President Obama signs into law has on those plans will be critical.**

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