



Update on Health Reform

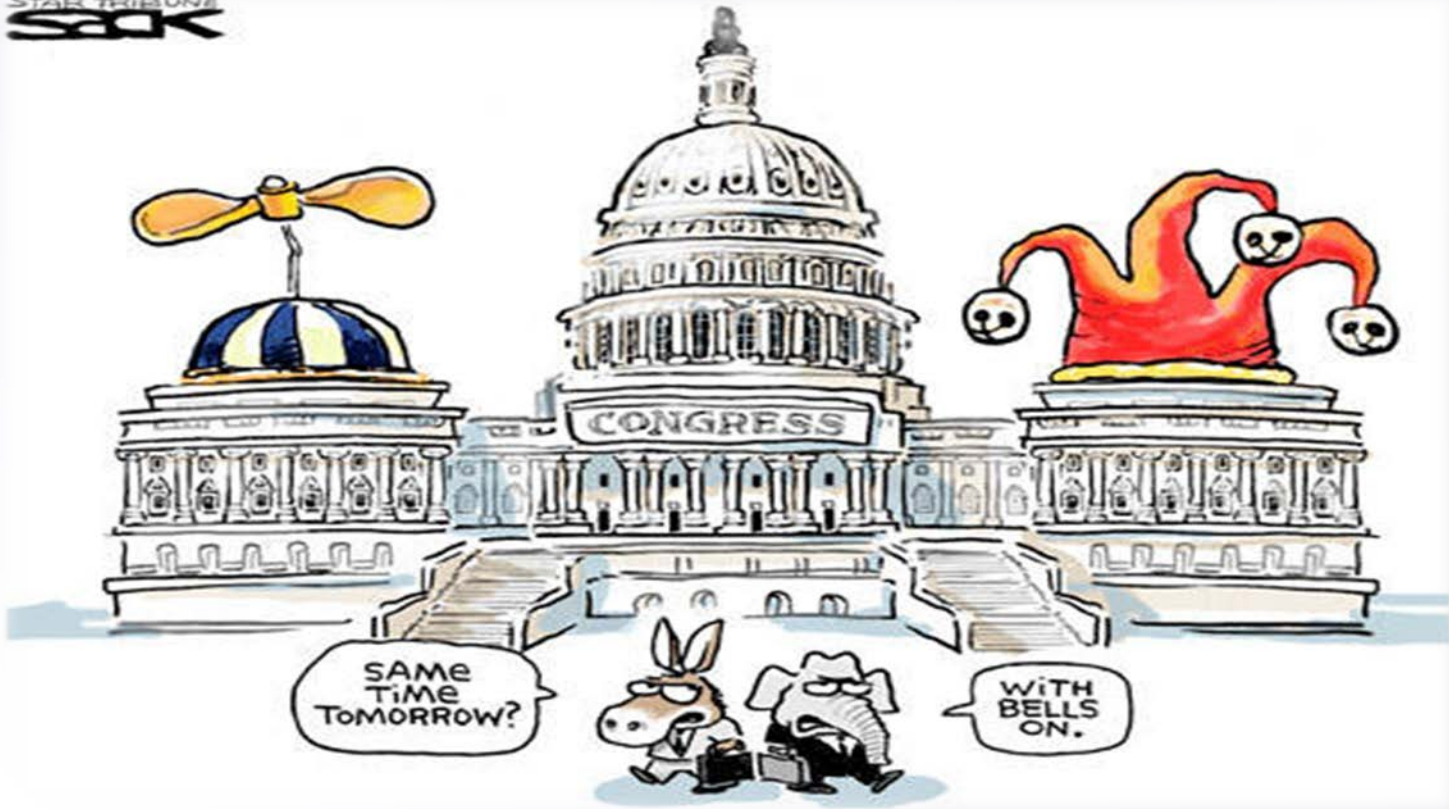
Marcy M. Buckner

**Vice President of Government Affairs
National Association of Health Underwriters**

August 2015

Welcome to Washington!

STAR TRIBUNE
S&K



Political Landscape



GOP and Democrat leadership do not have a clear and consistent working health reform strategy.

The good news is that there are signs of hope for the next Congress!

Potential Topics of Legislative Action

- PPACA repeal
- **Cadillac tax repeal**
- 2017 waiver changes and improvement
- Exchange improvements
- **Group size**
- Small business tax credit changes
- Health Insurance tax delay
- Medicare open enrollment period and COBRA



Broker MLR Bill HR 815/S 1661

House

- Rep. Billy Long (R-MO) and Rep. Kurt Schrader (D-OR) have sponsored H.R. 815 in February
- 100 Cosponsors before August Recess!

Senate

- Senators Johnny Isakson (R-GA) and Chris Coons (D-DE) cosponsored the bill in June

Expansion of Small group

- Under the ACA, the definition of small group will expand to 1-100 on January 1, 2016
- Guidance was not released regarding the inclusion of 51-100 groups in the small group market, and how market rules will be applied to these groups transitioning from large to small group rules
- H.R. 1624 and S. 1099 define small group as up to 50, but allows for states to take action to define small group as more than 50, but not more than 100 employees
- House legislation was “hotlined” for September

Employer Reporting Legislation

House

- Rep. Diane Black (R-TN) and Rep. Mike Thompson (D-CA) have sponsored H.R. 2712 in June
- Streamline the employer reporting process and strengthen the eligibility verification process for the health care premium tax credit and cost-sharing subsidy

Senate

- Senators Mark Warner (D-VA) and Rob Portman (R-OH) cosponsored S. 1996 right before August Recess

§1332 Waivers

What Can Be Waived?

1 *Individual Mandate*

States can modify or eliminate the tax penalties that the ACA imposes on individuals who fail to maintain health coverage.

2 *Employer Mandate*

States can modify or eliminate the penalties that the ACA imposes on large employers who fail to offer affordable coverage to their full-time employees.

3 *Benefits and Subsidies*

States may modify the rules governing covered benefits and subsidies. States that reallocate premium tax credits and cost-sharing reductions may receive the aggregate value of those subsidies for alternative approaches.

4 *Exchanges and QHPs*

States can modify or eliminate QHP certification and the Exchanges as the vehicle for determining eligibility for subsidies and enrolling consumers in coverage.

§1332 Waiver Guardrails

1 *Scope of Coverage*

The waiver must provide coverage to at least as many people as the ACA would provide without the waiver.

2 *Comprehensive Coverage*

The waiver must provide coverage that is at least as “comprehensive” as coverage offered through the Exchange.

3 *Affordability*

The waiver must provide “coverage and cost sharing protections against excessive out-of-pocket” spending that is at least as “affordable” as Exchange coverage.

4 *Federal Deficit*

The waiver must not increase the federal deficit.

§1332 Waiver Application Steps



State

- Consider state goals and determine if 1332 waiver is desirable
- Have sufficient state authority to implement the waiver
- Draft waiver application
- Hold pre-application hearing
- Include in waiver application:
 - Actuarial/economic analyses
 - Implementation timeline
 - Ten-year budget plan



HHS and Treasury

- Deem the waiver application complete
- Conduct federal notice and comment period
- Review the application within 180 days of determining it is complete
- Approve or reject the waiver application

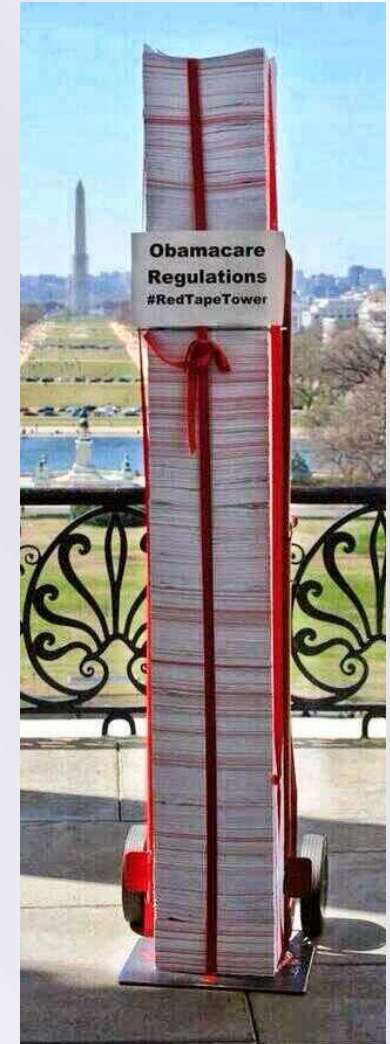


Implementation

- Waivers implemented in 2017 or later
- Quarterly and annual reports submitted to Treasury and HHS
- Waiver renewals begin no later than 2022 because the term of waiver may not exceed five years

Current and Pending Regulatory Action

- Grandmothering available for 50-99 market
- HHS proposed change to SBC rule to comply with guidance issued since the rule was finalized in 2012
 - Compliance delayed for a year
- No composite rating for shop in 2016
- No immediate action expected on non-discrimination rules
- Employer limitations on paying individual premiums
- Cadillac Tax



Cadillac Tax

What is it?

- 40 percent excise tax on the health benefits companies provide their workers above a certain threshold.
 - In 2018, the tax will hit insurance and related perks valued at more than **\$10,200 for singles and \$27,500 for families**

Cadillac Tax

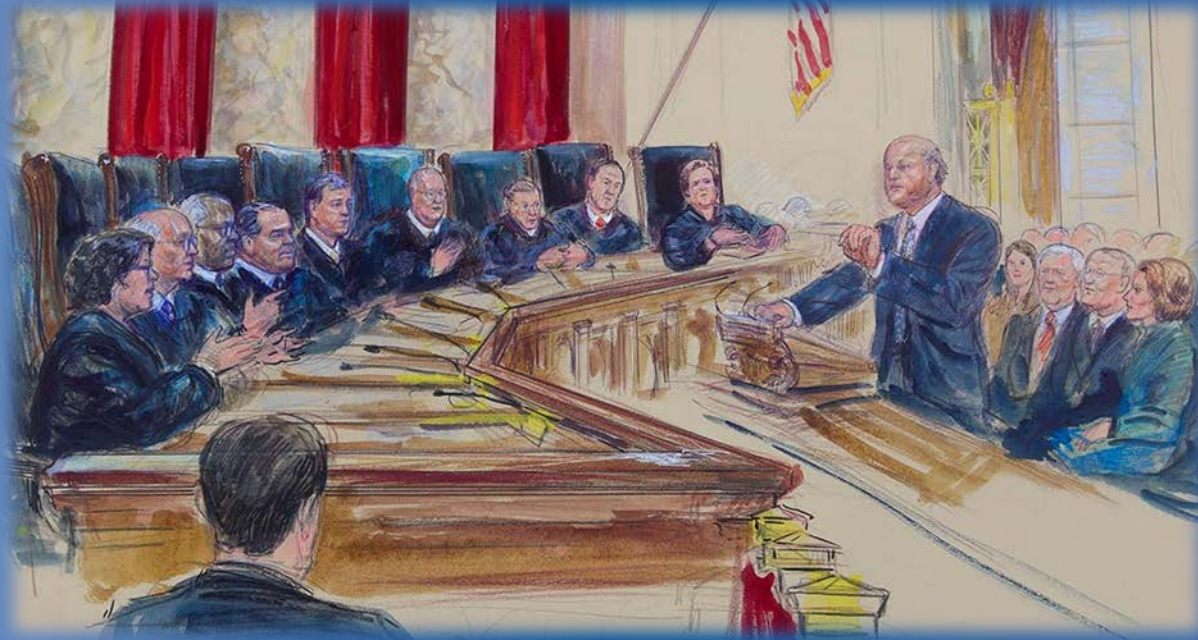


Preliminary issues of concern:

- **Valuation of HSA Contributions**
- How will the adjustments work? Need a **composite rate** for various ages on the plans. Also **adjustments** for geography, high risk occupations, etc.

NAHU is working in a broad-based coalition with business and labor groups on both regulatory strategy and a repeal.

Key Takeaways from Supreme Court 2015



- *King v. Burwell* – availability of subsidies in FFM states
- *Obergefell v. Hodges* – marriage equality

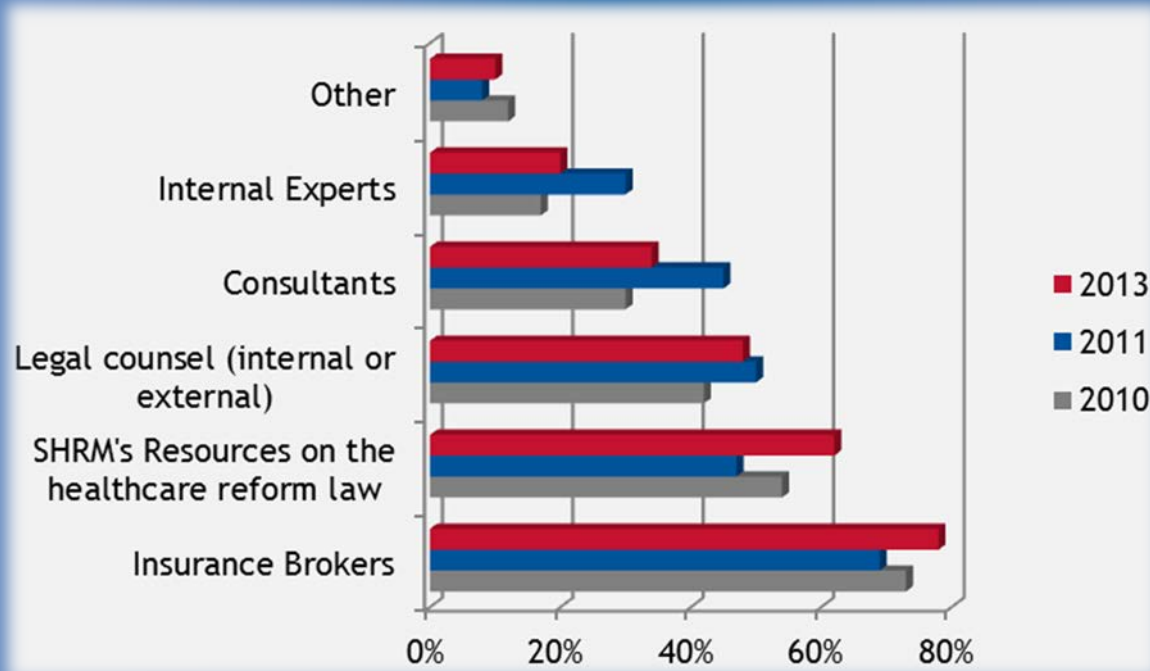
NAHU - FFM Certification

- NAHU approved as preferred provider by CMS for FFM agent certification
- Opens September 1, 2015
- Only agent organization offering training
- CE in all 50 states
- Two step process
 - Identity verification through CMS
 - Select vendor (NAHU) for training

Brokers are in the Position to Help

SHRM Survey Results

“What resources is your organization currently using in regard to the healthcare reform law?”



NAHU Resources



- Washington Update and Daily Newswire
- Compliance Corner
 - Resources and Webinars
 - Blog
 - Customized Answers to Compliance Questions for Members
 - FAQs, templates, analysis and links to guidance and other resources
- PPACA Certification Course
- FFM Certification Course
- New Self-Funded Certification
- Partnership Resources to Help Members with Client Compliance

Recent Accomplishments



- Lobbied for and were successful in getting **greater transparency in Medicare** in SGR fix.
- Lobbied for and were successful in getting the **40 hour bill** passed by the House.
- Lobbied for and got **OE dates for 2016 to extend** into the coverage year and not completely line up with the Medicare AEP.
- **Payment parameters** regulation included numerous NAHU-suggested SEP changes.
- 2015 federal exchange includes **find an agent feature** and **SHOP exchange includes all NAHU requested broker features**. Different broker climate with CMS.

Recent Accomplishments

- Lobbied for **repeal of the free choice** voucher and were successful.
- Lobbied and were successful in getting the **small employer deductible cap repealed**.
- Legislation to improve the Small Business Tax Credit, Broker Exchange Issues, Employer Reporting Requirements, Medicare Issues, Wellness Programs and more.
- Regulatory lobbying and comments have resulted in dozens of small changes that have **made implementation improvements** for employers and individuals and the law less onerous for brokers.
- Many bipartisan cosponsors on **MLR bill result in much publicity about the role of brokers** and an appreciation for their important role in helping consumers with their health insurance needs.

Thank you!

Marcy M. Buckner
Vice President of Government Affairs

mbuckner@nahu.org

(202) 595-7589

