



# HEALTHCARE REFORM UPDATE as of February 24, 2010

»» INNOVATION IN BENEFITS

## »» HEALTHCARE REFORM UPDATE – February 24, 2010

The drama of possible healthcare reform legislation continues. On Thursday, February 25, the President and Congressional leaders will hold a public all-day meeting discussing the merits and potential features of reform legislation at least during 2010. In preparation for this meeting, the White House released on the 22<sup>nd</sup> it's healthcare reform proposal, which was built from the Senate reform bill and reflects some political realities since the Brown election in Massachusetts.

Whether healthcare reform legislation passes during 2010 remains uncertain and a topic of great debate. Expectations are low for significant results from the February 25 meeting, but it may signal how the “political winds” for passage are blowing. Also, the Democratic leadership and a majority of party members appear to be supporting the idea of passing the Senate Bill as written and the using the “reconciliation” process to negotiate final legislation.

Because the Senate Bill and White House proposal currently are being considered, the following page briefly compares the key provisions of each that impact employers.

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Provision	Senate Bill	Obama Proposal
• Excise tax on “high cost” plans	\$8,500/\$23,000 @ 2013	\$10,200/\$27,500 @ 2018
• Minimum waiting period	Penalty if > 30 days	No penalty
• Eligible dependent	Age 26	Same
• Preventive care benefits	100% @ 2010	100% @ 2018
• Wellness program incentives	50% EE contrib differential	n/a
• Minimum medical loss ratio	85%	Rate review board
• Annual/lifetime max, pre-ex, etc., prohibited	2014	Health exchange date
• FSA contribution limit	\$2,500 @ 2011	Same
• National long term care program	Yes	n/a
• Third party assessments	\$400B over 10 years	About ½ of Senate
• Employer mandate	\$750/FTE	\$2,000/FTE