



FRIDAY, APRIL 15, 2011

HEALTH CARE REFORM UPDATE

CONTINUING RESOLUTION AMENDS HEALTH CARE REFORM LAWS

As of this writing, last Friday's "11th hour" budget deal, the Department of Defense and Full-Year Continuing Appropriations Act of 2011, H.R.1473 is expected to be signed into law by President Obama this afternoon. Known as the Continuing Appropriations Act, the bill was passed by both chambers of Congress on April 14.

The Continuing Appropriations Act, which includes \$38.5 billion in spending cuts, will keep the government funded through the remainder of the fiscal year, which ends in September. Within the measure are a few key changes to the Patient Protection and Affordable Care Act (PPACA) laws, most notably a repeal of the free-choice voucher provision.

The PPACA free-choice voucher provision, which was to go into effect in 2014, required employers offering minimum essential coverage to provide qualified employees with a voucher, the value of which must be applied to purchase health coverage through a Health Insurance Exchange. Qualified employees are those whose contributions to their employer-sponsored health plan exceed 8 percent, but are less than 9.8 percent, of their household incomes; and whose total household incomes do not exceed 400 percent of the poverty line for their families.

The repeal of the free-choice voucher provision, which should reduce the administrative and compliance burden on employers, appears to have been a last-minute addition in the budget legislation. However, Senator Wyden, D-Oregon, who originally introduced this concept, and others are actively working to override this repeal.

Other health care reform-related provisions in the Continuing Appropriations Act are required Senate debate on the complete repeal of PPACA (unlikely to cause any major changes in the legislation) and a reduction in the funding to the Consumer Operated and Oriented Plans (CO-OP) program, which offers loans and grants for coverage through the Health Insurance Exchanges.

These changes to health care reform provisions and funding are indicative of the political struggle between the House and Senate, which is likely to continue through the 2012 elections.

As your partner, we are committed to keeping you apprised of legislative developments regarding the PPACA, helping you to understand and comply with the guidelines pertaining to health care reform legislation. We hope you find this information helpful and invite you to review past issues of our *Health Care Reform Update* at <http://www.trion.com/healthreform>. Please share your questions and comments with us by emailing health.reform@trion.com or calling 610.945.1198. Thank you.