



Health Care Reform Update and Our Coalition's Activities

CIAHU Membership Meeting
January 13, 2011

— **Setting the Course for Responsible Health Care Reform** —

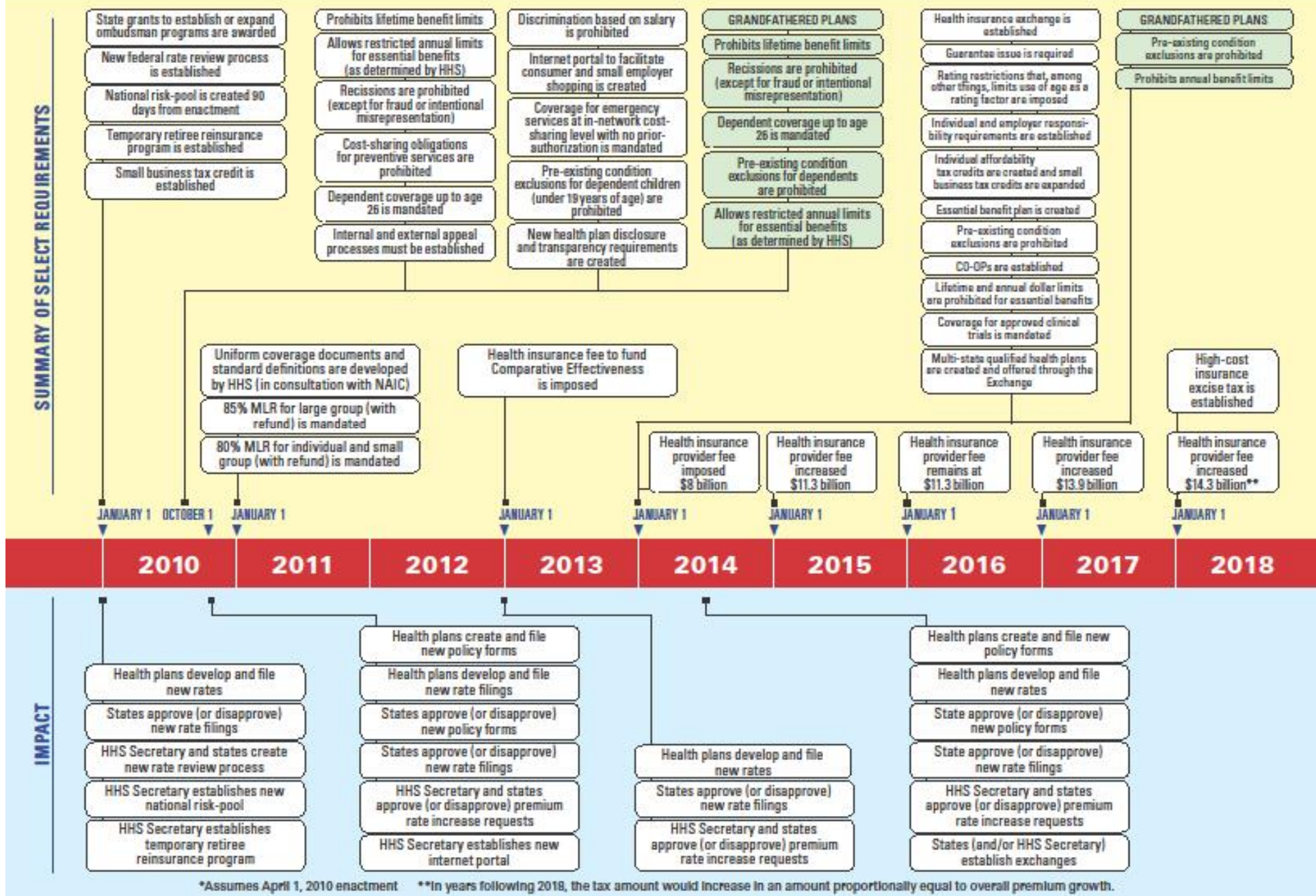


Acknowledgement and Disclaimer

- This presentation is intended for advisors who are members of the Central Illinois Association of Health Underwriters
- It is a collection of ideas, statistics, and general information from a variety of trusted sources
- It is for informational and discussion purposes only. It is not intended to constitute actuarial or legal advice. Participants should consult their own actuaries, attorneys and tax advisers for guidance.



Health Care Reform Bill Insurance Market Provisions Timeline (as revised by the House Reconciliation Bill)*



Our Roles as Agents and Advisors: *Educate and Inform our Customers*

- Don't Panic - HCR is changing the market, but has not destroyed it...yet
- Explain what's important to know and do for now
- Continue to do what you do best – provide necessary, valuable products, advice and service to your customers
- Advocate and participate in activities to implement meaningful reforms (and encourage your customers to do so as well)



What's Important to Know?

Impact on Employers

- 2010 Benefit Improvements and Patient Protections
- Cost impact of these Items
- Compliance - (Contract Amendments and Employee Notifications)
- Small Employer Tax Credit - Do they Qualify?
- OTC Excluded for reimbursement from FSA, HSA
- Non-discrimination Testing (delayed)



Benefit Improvements and Patient Protections

- ü No Lifetime or Annual Limits on Essential Benefits
- ü Rescissions only if Fraud
- ü Coverage for Adult Children to age 26
- ü No Pre-ex for children under 19
- ü *Preventive Services**
- ü *Appeals**
- ü *Patient Protections**
- ü *Nondiscrimination rules (delayed)**



What's Important to Do?

Key Items for 2010-2011

- Grandfathered Status – Yes or No?
- Plan Amendments
- Participant Notices
- Small Employer Tax Credit calculation
- OTC Drugs (FSA, HSA)



Recommendations for Employers

- Understand how the law effects you, your employees, and your business
- Continue your practices and routines to make good business decisions *and* add those activities needed to comply with PPACA
- Advocate for meaningful Health Care Reform and changes in PPACA before 2014
- Watch development of Exchanges



Exchange Basics

Definition of an Exchange

- *Exchanges are a transparent, centralized marketplace that provide access to more affordable, comprehensive health insurance coverage options to individuals and small businesses.*
- IL DOI Website resources on Exchanges:
<http://insurance.illinois.gov/hirc/topical.asp#HIE>



Mandatory Duties of the Exchange

- Certification, recertification and decertification of health benefit plans as “qualified health plans”;
- Provide for the operation of a toll-free telephone hotline to respond to requests for assistance;
- Provide for enrollment periods (initial, annual, special, etc.);
- Maintain an Internet website through which enrollees and prospective enrollees of “qualified health plans” may obtain standardized comparative information on such plans;
- Assign a rating to each “qualified health plan” offered through the Exchange, and determine each qualified health plan’s level of coverage;
- Use a standardized format for presenting health benefit options in the Exchange;



Mandatory Duties of the Exchange

- Inform individuals of eligibility requirements for the Medicaid program, the Children's Health Insurance Program (CHIP) or any applicable State or local public program, and if eligible, enroll that individual in that program;
- Establish and make available by electronic means a calculator to determine the actual cost of coverage after application of any premium tax credit and any cost-sharing reduction;
- Establish a SHOP Exchange through which qualified employers may access coverage for employees;
- Grant a certification of exemption from the individual responsibility penalty;
- Transfer information to the U.S. Secretary of the Treasury;
- Provide to each employer the name of each employee who ceases coverage under a "qualified health plan" during a plan year and the effective date of the cessation;



Mandatory Duties of the Exchange

- Perform duties required of the Exchange by the Secretary or the Secretary of the Treasury related to determining eligibility for premium tax credits, reduced cost-sharing or individual responsibility requirement exemptions;
- Select entities qualified to serve as Navigators;
- Review the rate of premium growth within the Exchange and outside the Exchange, and consider the information in developing recommendations on whether to continue limiting qualified employer status to small employers;
- Credit the amount of any “free choice voucher” to the monthly premium of the plan in which a qualified employee is enrolled, and collect the amount credited from the offering employer;
- Consult with stakeholders relevant to carrying out the activities required in the ACA; and
- Meet financial integrity requirements specified in the ACA.



Illinois Exchange Activities in 2011

Executive Branch (DOI Director McRaith)

- Develop Model Legislation to be passed in 2011
- Well orchestrated stakeholders' meetings started in December, 2010
- Phil Lackman organized working group from his 3 associations
- Persons from AON have participated as well as 3 other NAHU/IIA/NAIFA members



Illinois Exchange Activities in 2011

Legislative Branch

- Coalition of business, insurance, and agents associations met with representatives of leadership and committee chairs
- Pass Legislation advising IL will develop its own Exchange in 2011
- Committees will hold stakeholders meetings and then work through the legislative process for passage in 2012



What's Next?

- Our Coalition will continue to be involved in discussions at all levels of government (Legislative, Executive, Administrative) to promote the Role of the Broker in Exchanges and HCR
- Model Legislation for Exchanges
- Developing guidelines for and education track for Certification of licensed professionals to be compensated for Exchange sales activity



What Can You Do?

- Support efforts of NAHU and ISAHU with your Time, Talent and Treasury (money)
- Monitor activities by all stakeholders, not just Insurance Industry
- Don't panic or jump to conclusions – take it one day at a time
- Hope for the Best – Expect the Worst – Take anything In-between



Resources

- www.healthcare.gov – HHS/Federal Government
- www.irs.gov/businesses - IRS
- http://www.dol.gov/ebsa/compliance_assistance.html - Department of Labor
- <http://insurance.illinois.gov/hiric> - IL Dept of Insurance
- www.ilchamber.com – IL Chamber of Commerce
- www.kff.org – Kaiser Family Foundation
- www.nahu.org – National Association of Health Underwriters (Information available to Consumers and Employers with additional content for members)





THANK YOU

Please contact the following persons with questions

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