

Having trouble viewing this email? [Click here](#)



March, 2011

## Black, Gould & Associates, Inc. Legislative Update

### ONE YEAR LATER

One year ago, March 23, 2010, the President signed the Patient Protection and Affordable Care Act (now being referred to by many as Affordable Care Act). We've seen some plan changes, some eligibility changes, and some provision delayed. We still have lawsuits pending and a lot of confusion. We've seen a new congress take office and new legislation introduced. But, until either the lawsuits are settled or the legislation passed (and signed), we still have PPACA.

This update is meant to give you information on some of the current happenings surrounding the law.

### AUTO ENROLLMENT

PPACA requires employers to automatically enroll employees in medical coverage beginning no later than January 1, 2014. This effective date may be moved to an earlier date by pending regulations. Prior to finalizing the proposed regulations on automatic enrollment, the Department of Labor is hosting a forum where employers can share their views on how the DOL should draft the regulations. This forum will be held in Washington, DC on April 8, 2011. Employers and their representatives may submit written comments prior to the date of the forum. A link to the DOL press release is below.

<http://www.dol.gov/ebsa/newsroom/2011/ebsa031411.html>

### AGE 26 & THE ARIZONA TAX CODE

Health Care Reform requires children to age 26 be allowed on an employers plan as a dependent regardless of their student status. The federal tax code was amended to the imputed income for purpose of coverage provided to children that did not qualify as Federal income tax dependents. Please be aware Arizona has not amended their language match that of the Federal government.

## MEDICAL LOSS RATIO

On Thursday, March 17, Representatives Mike Rogers (R-MI) and John Barrow (D-GA), along with 14 original co-sponsors, introduced [H.R. 1206, the Access to Professional Health Insurance Advisors Act of 2011](#). This is a bipartisan proposal that would amend PPACA to preserve the role of health insurance agents and brokers by removing independent producer commissions from the law's medical loss ratio (MLR) calculation.

In addition, the National Association of Insurance Commissioners (NAIC) has introduced their own draft legislation to remove agent and broker compensation from the MLR calculation. The NAIC's Professional Health Insurance Advisors Task Force has scheduled a public hearing on March 27 regarding the impact of the MLR requirements.

## THE 60-DAY PRIOR NOTICE REQUIREMENT

There have been several questions about when the "new" 60-day notice goes into effect. The Act requires that standards for the notice be developed "not later than 12 months after the date of enactment (3/23/2011), we have yet to see these standards. The date that plans and issuers are required to begin providing these summaries is "not later than 24 months after the date of enactment (3/23/2012)".

## RATE REVIEW

Mid-March, CMS introduced a new disclosure form for health insurance carriers that must be completed when the carrier is proposing a rate increase of greater than 10%. This program is to begin July 2011.

## WELLNESS GRANTS FOR SMALL EMPLOYERS

Beginning this year, grants are available for small employers to provide their employees access to new workplace wellness programs.

Eligible employers include:

- less than 100 employees working 25 or more hours per week, AND
- did not have a workplace wellness program as of March 23, 2010

The program must include:

- Health awareness initiatives
- Efforts to maximize employee engagement
- Initiatives to change unhealthy behaviors and lifestyle choices
- Supportive environment efforts

Eligible employers must submit an application of HHS that includes a proposal for the program. Grants will be available until the budgeted amount (\$200 million) runs out.

## REFORMS IMPACT

**19** - States where parents can no longer buy child-only insurance policies as a result of the law

**30** - States suing to block the law from taking effect, or requesting waivers from its requirements

**1,270** - New bureaucrats requested by the Internal Revenue Service to implement the law this year

**\$2,100** - Increase in individual insurance premiums due to Reform, according to the Congressional Budget Office

**\$2,500** - Premium reduction promised by candidate Obama "by the end of my first term as President"

**6,578** - Pages of new regulations issued implementing Reform through March 14, 2011

**800,000** - Reduction in the American labor force due to Reform provisions that "will effectively increase marginal tax rates, which will also discourage work," according to the CBO

**2,624,720** - Total individuals in 1,040 plans granted waivers thus far exempting them from the law's insurance mandates; nearly half of whom participate in union plans

**7,400,000** - Reduction in Medicare Advantage enrollment as a result of Reform, resulting in a loss of choice for seniors and millions of beneficiaries losing their current health plan

**40,000,000** - Firms subject to the health law's new 1099 reporting requirements, which the National Federation of Independent Business called a "tremendous new paperwork compliance burden"

**\$118,000,000,000** - New costs imposed on states to implement Reform- budgetary costs that will lead to reduced services for other state programs like education or to higher state taxes

**\$310,800,000,000** - Projected increase in health costs due to Reform, according to the independent Medicare actuary, who called its promise of lower costs "false, more so than true"

**\$552,200,000,000** - Amount of higher taxes Americans will pay if Reform remains in place

**\$1,390,000,000,000** - Federal spending on new entitlements during fiscal years 2012-2021 according to the CBO, a 48% increase from an earlier estimate

This information is not intended to be, nor should it be construed as legal or tax advice. We are not authorized nor do we purport to provide tax or legal advice and this should not be viewed as a substitute thereof. It is intended merely as an educational tool.

As always, feel free to contact me with any questions at [ruthann.laswick@blackgould.com](mailto:ruthann.laswick@blackgould.com).

Sincerely,

Ruthann Laswick  
Vice President, Marketing  
Black, Gould & Associates, Inc.  
NAHU Region VII VP

602-776-1342  
FAX: 602-424-3008  
[www.blackgould.com](http://www.blackgould.com)



*Try it FREE today.*

This email was sent to [ruthann.laswick@blackgould.com](mailto:ruthann.laswick@blackgould.com) by [ruthann.laswick@blackgould.com](mailto:ruthann.laswick@blackgould.com) | [Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Black, Gould & Associates, Inc. | 3800 N. Central Avenue | 9th Floor | Phoenix | AZ | 85012