

Health care reform efforts revived



As you know from our prior health care update, Republicans in the U.S. House of Representatives fell short in March in their effort to repeal and replace the Affordable Care Act (ACA). While it was unclear then whether Republicans would continue their fight against the ACA, they in fact renewed their efforts. On May 4, the House passed a bill that, if enacted by the full Congress, would significantly change the ACA.

In determining the impact of this bill, it is important to keep in mind a few things:

- The bill passed by the House does not fully repeal the ACA. The changes primarily impact the Medicaid program and subsidies in the ACA for low-income individuals and those with pre-existing health conditions.
- The legislation gives states more discretion to define what qualifies as essential health benefits. Further analysis is necessary to understand the impact of this provision. The employer and individual mandates remain, but the penalties are reduced to zero.
- The bill does not include any major changes that would be disruptive to the employer-sponsored benefit market, such as eliminating or capping tax incentives.

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While it is extremely unlikely that Congress would enact the House bill in its current form, it is significant that the legislative process to make changes to the ACA is in motion. From a procedural viewpoint, the House bill now goes to the Senate, where Democrats are expected to be unified in their opposition. Republicans have just a two-seat majority in the Senate, leaving little margin for error. Additionally, several Republican senators have already expressed opposition to the House bill — some from the right because it does not fully repeal the ACA, and some from the middle because it does not do enough to protect vulnerable populations.

Our commitment

As the Senate weighs how to proceed, we will continue our advocacy, stressing the importance and value of employer-sponsored benefits. We believe the employee benefits industry is well-positioned in the Senate, but protecting our interests will require a continued concerted effort.

As this process unfolds, we will continue to offer resources to analyze the implications of health care reform on our industry and the people we protect.