

BenAlert

BENEFIT TRENDS AND LEGISLATIVE UPDATES

MARCH 2010



HOWITT
Benefit Services

Howitt Benefit Services is pleased to provide you with periodic updates on benefit trends and legislative updates. As part of our valuable services, we want to ensure that you are in compliance and well-informed of the ongoing changes in our industry.

In this BenAlert:

- Healthcare Reform

As your trusted insurance advisor, all of us here at Howitt Benefit Services have been following the healthcare reform process very closely over the last year in an effort to help our clients understand, adapt, and take advantage of any changes that would take place if new legislation were to be signed into law.

While there was some uncertainty during the last few months as to if and when a bill would be voted on, Sunday afternoon the House of Representatives passed a Senate-approved Health Insurance Reform reconciliation bill. The Senate still needs to deal with the House revisions this week, however the White House announced today that President Obama will sign the current bill into law today, Tuesday March 23rd, without waiting for the Senate's revisions.

The healthcare reform bill will likely affect the way every American accesses insurance and health benefits.

What will this new set of laws mean to you? At this time it's too early to tell exactly how these changes will function in practice. There are a set of provisions designed to be implemented within 6 months of the new legislation and a set of provisions that are scheduled to go into effect in 2014.

Here are some of the changes that are set to take effect within 6 months:

- Insurance companies can't deny coverage to children because of pre-existing conditions
- Children can be covered as dependents up to age 26
- Removal of lifetime dollar limits on plan benefits
- No more canceling policies because someone gets sick
- Establishment of high risk insurance pools to help cover people until 2014, the year insurance exchanges are set to be fully operational

Summary of changes to take effect in 2014:

- Creation of insurance exchanges where individuals and businesses can purchase coverage
- Expansion of the federal-state Medicaid insurance programs
- Employer responsibilities (more on this later)
- Individual mandate
- Insurance premium subsidies

The new legislation will also begin to close the Medicare Part D Prescription Drug plan “doughnut hole” starting in 2011 and will push off the “Cadillac” tax for costly insurance plans until 2018.

As insurance brokers we are constantly asked for our opinion on Health Insurance reform. The bottom line is that there is room for improvement in all aspects of healthcare and within the insurance industry itself. Will these changes have the desired effect by opening up access for more people, reduce the healthcare costs and insurance premiums, while still allowing both small and larger business to thrive? Only time will tell.

The one thing that has not changed is the mission of Howitt Benefit Services which is to help our clients understand and navigate the current set of insurance laws, and help them to find the best and most economical solutions to their Health, Life, and Employee Benefits needs.

We will be sending out additional updates as these new laws start to be implemented. In the meantime please feel free to call us at 408-323-1436 or send us an email at benefits@howittins.com with any questions you may have.

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