

Health Care Reform

It certainly looks like we are coming down to the home stretch with health care reform. Win-lose-or-draw, the President has asked Congress to hold an up or down vote on health care reform within the next two weeks. Basically the President is asking the House to vote on the Senate's version of health care reform. If the House approves the Senate version then the legislation would go to the President and he can sign it. After that, the Senate would modify the law through a process called reconciliation. This only requires a simple majority (i.e. 51 votes) rather than 60 votes.

I do not get involved with politics so I really have no comments on the merits of the process. However, it seems to me that the Republicans have little to gain from a political standpoint in helping the President and Democrats pass a major piece of legislation that will be the center piece of the November and 2012 campaigns.

The polls show that the American people are, for the most part, opposed to a total overhaul of the health care system. However, if you poll people on certain aspects of the various proposals, many times the people favor change. Part of the problem has been the process. They say you do not want to watch them make sausage or laws. Many people are taken a back by special deals that were made to pass the Senate version of the law.

Again, it is premature to predict how this will ultimately turn out. However, according to the President, we should have an answer by the end of this month. In the meantime I am attaching a link to a chart showing the various proposals.

http://www.kff.org/healthreform/upload/housesenatebill_final.pdf

This chart was prepared by the Kaiser Family Foundation and is updated periodically to reflect the latest changes.

COBRA Subsidy Extended

We released a flash update earlier this month talking about the COBRA premiums extension until the end of this month. That update also talked about the new rules under Ohio's Mini-COBRA laws. Chances are we have not heard the last of the COBRA premium extension. I am attaching links to a couple of articles that explain the new stop gap COBRA subsidy extension rules.

<http://www.spencerfane.com/News/Headline.asp?Ref=COBRAPremium&~=>

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http://www.groom.com/media/publication/659_COBRA%20Subsidy%20Extension%20March%202010%20final.pdf

http://www.thorpreed.com/html/the_library/library_198.html

Don't forget that the Ohio Mini-COBRA was recently amended to "mirror" the COBRA premium subsidy. Therefore, small employers in Ohio (i.e. those with less than 20 employees) should be kept abreast of the new changes.

Mental Health Parity Act

I know I have listed other articles on the mental health parity act. However, you have to realize that articles are only summaries. For example, the latest set of regulations explaining the Act were over 40 pages long. Therefore, any summary less than 40 pages is leaving something out. As a result, I think it is a good idea sometimes to provide more than one article because they may have different perspectives and information. With that being said, here are a couple more articles by law firms that talk about the mental health parity act:

<http://www.groom.com/media/publication/654 MPH%20Summary%203.3.10.pdf>

<http://www.ipbtax.com/newsletter-14.html>

Again, any summary, by definition, is going to leave out something. Therefore, it simply makes sense to read a couple of articles on the topic to get a better understanding of the rules.

Medical Tourism

While the health care reform debate rages on employers and insurance companies continue to look for ways to save money when it comes to health care. This is an interesting article on a trend where people leave the country to get medical treatment overseas. The most common procedures seem to be hip replacements and other non-emergency procedures. Why not combine surgery and a vacation into one trip? This concept is starting to be embraced by both carriers and self funded health plans.

<http://www.thompson.com/public/newsbrief.jsp?cat=BENEFITS&id=2672>

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I for one would be hesitant to go for something major. However, I guess I would rather recuperate on a sunny beach from some minor medical procedure than stare out my front window at the snow.

State Health Care Reform Update

There has been a tremendous amount of ink spilled on National health care reform. However, with all the hoopla on National health care reform many people lose sight that the states also have a stake in the debate. I am attaching a link to the National Conference of State Legislatures that outlines how the states are addressing the proposed health care reform.

<http://www.ncsl.org/default.aspx?tabid=18906>

As you can see many of the states oppose sweeping reform mostly on the grounds that the changes will increase the states' financial burdens.

Legislative Tracking

It is easy to lose track of the fact the Congress is working on a huge number of proposals. Only a few are sexy enough to garner the headlines or even a few minutes on the evening news. However, most people would be surprised at all the proposed legislation floating around Congress. As a practical matter, most proposals do not become law. Nevertheless, it does make sense to spend a few minutes to look at some of the proposals floating around out there. The following is a link to a list of current health and welfare benefit proposals in front of Congress.

http://www.towersperrin.com/tp/getwebcachedoc?country=global&webc=HRS/USA/2007/200708/Health_and_Welfare.pdf

Again, it is worth while to see what is out there but premature to do anything about it.

New Type of Theft

Identity theft has been around for a long time. In fact, it is one of the most common crimes in America. There are a number of companies that, for a few dollars a month, will work to repair the damage of stolen identity. However, a more recent trend is stealing health services. That is, someone uses someone else's insurance card to

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obtain care. This can be both dangerous and expensive; not to mention a crime. The following article talks about this new trend.

<http://www.npr.org/templates/story/story.php?storyId=123977187>

One way to help combat this trend is for employers to conduct a dependent audit. A dependent audit is when the employer verifies everyone's health plan eligibility. This means, for example, asking the employees to prove they are, in fact, married and/or their children are entitled to participate in the group health plan. There are several types of audits. If you are a larger employer it may make sense to consider an audit, especially if the group health plan is self funded.

Employee Classification

Sometimes we like to go "outside the benefit box" and mention a non-benefit related topic. For years there has been a struggle when it comes to properly classifying a person as an employee vs. an independent contractor. If the person is, in fact, an employee, the individual may be eligible for the employer's various benefit programs and, more importantly, at least from the government's standpoint, payroll withholdings. The rules have never been clear. The Obama administration wants to try and bring clarity to this confusing area.

http://www.americanbenefitscouncil.org/documents/workclass_groommemo_022410.pdf

As you will note at the end of the article, the changes are expected to increase the government's revenues by \$ 7 billion over ten years which, in comparison to the numbers being bantered around with health care reform, is small potatoes. But, as they say, "every little bit helps!"

Your Government at Work

The Employee Benefits Security Administration is charged with investigating violations and enforcing the rules when it comes to employee benefits. There are approximately 700,000 retirement plans and 2.8 million health plans in America. The following is a recap of the government's enforcement efforts.

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

This fact sheet lists the government's enforcement efforts last year.

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Top Total Reward Priorities

A large accounting firm conducted a survey to determine how employers and employees can work together to structure programs that meet the needs of both. The following is a link to that survey.

http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_consulting_2010TopFiveTotalRewardsSurvey_022210.pdf

This survey does not really address legal issues but I thought you may find it interesting.

As always, if you have any questions or comments, please direct your questions back to your McGohan Brabender Account Team.