

Benefits Buzz

Benefits and HR tips brought to you by the insurance specialists at Kapnick Insurance Group

DID YOU KNOW...?

The Kaiser/HRET 2009 Health Benefits Survey was just released. According to the survey, premiums for employer-sponsored health insurance rose to \$13,375 annually for family coverage this year – with employees on average paying \$3,515 and employers paying \$9,860. Family premiums rose about 5 percent this year compared to general inflation which fell 0.7 percent during the same period.



American Health Future Act of 2009 Released

Senate Finance Committee Chairman Max Baucus recently released his plan, American Health Future Act of 2009, to overhaul America's health care system. Key provisions include:

- Starting in 2013, all U.S. citizens would be required to have insurance. An excise tax will be levied on those who do not, and tax credits will be made available so low-income individuals can comply.
- Employers with 200 or more employees must automatically enroll them in employer-sponsored health insurance plans, unless the individuals can prove they have insurance from another source.
- Employers do not have to provide health care coverage, but if they have 50 or more employees, and do not, they will pay a fee for every employee that gets coverage through an exchange. Employers would be required to disclose total premiums paid for an employee on an employee's W-2.
- Insurance companies that offer health plans that cost more than \$8,000/year for individuals and \$21,000/year for families will pay a non-deductible 35 percent tax.
- FSAs will be capped at \$2,000 per year, and over-the-counter meds would not be allowable expenses. HSA funds that are used for other than qualified medical expenses will be penalized 20 percent.
- To increase competition and bring down rates, not-for-profit co-ops will be established.

Health Care Reform Starting to Take Shape

As the health care debate carries on, what will be included in the final bill is still unclear; however, the following is likely to be included:

- Every American would be required to have basic health insurance. Those without insurance from an employer or government entity such as Medicare, Medicaid or the Veterans Affairs Department would be required to buy it or pay a fine. Subsidies would help lower-income families and individuals pay for insurance.
- Insurance companies would be prevented from denying coverage for preexisting conditions and capping patients' out-of-pocket costs for care.
- Nothing in the plan will require employees or employers to change coverage or the doctor they have.
- There is a disincentive for employers in dropping health care insurance – penalties (tax on payrolls) for employers who don't offer health insurance, with small businesses exempt.
- Those who are uninsured would be able to purchase insurance on their own from a new exchange, a marketplace for companies offering policies. Individual insurance rates are expected to drop.
- It is unclear whether a public option will be one of the health care plans offered on the new insurance exchange alongside private insurance companies' plans. A national or regional cooperative with the same objective of increasing competition is also being proposed.
- Medicaid would be expanded to include low-income childless adults.
- Medicare and coverage from the Veteran's Administration will not change; however, some benefits may be trimmed from Medicare Advantage.
- The cost over 10 years is estimated at \$900 billion to \$1 trillion.