

[WHAT EMPLOYERS NEED TO KNOW ABOUT HEALTH CARE REFORM](#)

April 13, 2010 by [Adam Santucci](#)

On March 30, 2010, President Obama signed the [Health Care and Education Reconciliation Act of 2010 \(H.R. 4872\) \(pdf\)](#) into law, supplementing the [Patient Protection and Affordable Care Act \(H.R. 3590\) \(pdf\)](#). McNees attorneys have written a whitepaper on the areas of these Acts that apply directly to employers, summarizing each provision and grouped by their effective date. To read the full whitepaper, [click here](#).

The core goal of health care reform was to provide health insurance coverage to 32 million Americans who are currently uninsured. The legislation attempts to achieve this goal through a variety of approaches, including tax credits, penalizing employers that don't offer affordable coverage and individuals who fail to obtain coverage, creation of "health insurance exchanges," expansion of Medicare Part D coverage and taxing high cost insurance plans.

The most sweeping changes brought by the Act do not take effect until 2014 and 2018, and existing health plans may be "grandfathered" or exempt from certain requirements. However, a number of important provisions take effect in 2010 and 2011 for all health plans.

The reform package is extremely broad in scope, and it will take time for employers to develop appropriate plans for compliance. As an initial step, employers should work with their insurance providers and brokers, third-party administrators, counsel and accountants to determine which of the 2010 requirements apply to them and the appropriate compliance steps.

It is also important to note that many provisions in the new law do not apply to plans maintained through a collective bargaining agreement until the agreement expires. Employers that are currently negotiating a collective bargaining agreement, or that will be doing so in the near future, must be clear regarding the impact of health care reform on their current and future agreements.

Although the Act is rife with new taxes and administrative burdens on plans, there are also a few "sweeteners" that employers should consider taking advantage of (e.g. Small Employer Tax Credit, Simplified Cafeteria Plan, Retiree Reinsurance, etc.). For a more detailed summary of these provisions including effective dates, [click here](#). Additional guidance will be coming from Washington as compliance deadlines approach and we will continue to keep you informed.

If you have any specific questions regarding the Act's impact on your health plans, contact any of the attorneys in the McNees Wallace and Nurick LLC Labor and Employment Group or Employee Benefits Group for assistance. In addition, McNees attorneys will be presenting a breakout session entitled "Whats New in Employee Benefits? Healthcare Reform is Just

the Beginning..." at the McNees Wallace and Nurick LLC [20th Annual Labor and Employment Law Seminar](#) on May 21, 2010. To download a PDF of the Seminar invitation [click here](#).

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