

Here are seven of the most important provisions of the Health Care plan that take effect this year:

- **The medical loss ratio requirement.** Effective Jan. 1, 2011, insurers are required to provide rebates to health plan sponsors and consumers if they don't spend at least 80% of the premium dollars they receive on medical care (85% for plans in the large group market).

Observation – this change probably means more taxable income and a reason for increasing the cost of medical reimbursement insurance. Why not allow the unused money as a credit against next year's premium contribution?

- **Changes to tax-free savings accounts.** Also beginning Jan. 1, the costs for over-the-counter drugs not prescribed by a doctor cannot be reimbursed through a Health Reimbursement Account or health Flexible Spending Account. Additionally, the cost of non-prescribed drugs cannot be reimbursed on a tax-free basis through a Health Savings Account or Archer Medical Savings Account.

Observation – This provision destroys a very useful incentive for seeking preventative care because now, your deductibles and non-prescription items such as contact lens wetting solution and cleaners, cold medicine, incontinence pads, and the like, are purchased with after-tax dollars making them more expensive for you. Your FSA or HAS just became less valuable. What was Obama thinking? Does this help the proverbial "little guy?"

- **Wellness grants begin.** Funding begins in fiscal year 2011 for grants to small employers that establish wellness programs.
- **Funding for insurance exchanges.** Beginning March 23, 2011, grants will start being awarded to states to begin planning for the establishment of American Health Benefit Exchanges and Small Business Health Options Program Exchanges, which are meant to help individuals and small employers purchase affordable insurance.
- **CLASS Program.** The CLASS Act — also known as the Community Living Assistance Services and Supports program — becomes effective Jan. 1. It will provide additional options for people looking for ways to pay for long-term care services. It is a voluntary program that mainly will be offered by employers and paid for by employees. Over the next two years the feds will be releasing details of how the program will work, and employees are expected to be able to begin signing up in early 2013.
- **Nutrition labeling requirement.** Beginning March 23, the nutritional content of standard menu items at chain restaurants and food sold from vending machines will need to be disclosed.

Observation – more red tape and fuel for class action lawyers and the FTC who commence litigation under theories relating to false and misleading labeling practices. Yet, who will understand and read the labels with microscopic print? Certainly not those with reading glasses.

- **Medicare prevention benefits.** On Jan. 1, cost-sharing requirements will be eliminated for Medicare-covered preventive services that are recommended by the U.S. Preventive Services Task Force.

Why do we need a government agency to tell us about preventative care?