

Legislative Update

The Connecticut Association for Home Care & Hospice

In This Issue

Examining Employer Provisions

A Closer Look at Employer Provisions in Health Reform

Home care and hospice providers will be paying close attention to changes proposed in health reform to health care provider payment, care delivery, preventive care and other areas as the Senate debates its latest bill.

Both the Senate leadership bill, the Patient Protection and Affordable Care Act (HR 3590) and the bill passed by the House of Representatives, the Affordable Health Care for America Act (HR 3962) contain employer responsibility provisions that pertain to the home care and hospice community as employers. Each piece of legislation contains its own language regarding health care coverage. Any final reform bill is likely to contain some blend of these various elements.

HR 3590: Employers with more than 50 employees that do not sponsor employee health coverage would pay a fee for each employee whose income level allows him or her to receive a tax credit by enrolling in a state health insurance exchange plan.

The bill assesses a fee of \$750 per full-time employee for employers who:

- Have more than 50 employees
- Do not offer coverage and
- Have at least one full-time employee who receives a premium tax credit.

Employers with more than 50 employees that offer health coverage but have at least one full-time employee receiving a premium tax credit will pay the lesser of (A) \$3,000 for each employee receiving a premium credit, which could be adjusted each year or (B) \$750 for each full-time employee.

The bill would also require employers with more than 200 employees to automatically enroll employees into health insurance plans offered by the employer, and employees would be able to opt out of coverage.

At a cost of \$27 billion over ten years, H.R. 3590 offers a tax credit to small employers that have no more than 25 employees and average annual wages of less than \$40,000 that purchase health insurance for employees.

HR 3962: The Affordable Health Care for America Act, was passed by the House on November 7, 2009. Under the bill, employers with a total payroll of more than \$500,000 would have to offer employee health coverage, contributing at least 72.5% of the premium cost for single workers and at least 65% of premiums for family coverage of a health

plan that meets minimum requirements. Employers that do not offer health insurance coverage according to those guidelines would pay a graduated fee based on total payroll size:

- Employers with over \$750,000 in total payroll would pay a fee of 8% of payroll.
- Employers with over \$670,000, but no more than \$750,000 in total payroll would pay a fee of 6% of payroll.
- Employers with over \$585,000 but no more than \$670,000 in total payroll would pay a fee of 4% of payroll.
- Employers with over \$500,000 but no more than \$585,000 in total payroll would pay a fee of 2% of payroll.
- Employers with a total payroll of \$500,000 or less would be exempt from the fee.

H.R. 3962 would also require employers that offer coverage to automatically enroll into the employer's lowest-cost premium plan any individual who does not elect coverage under the employer plan or does not opt out of such coverage. The bill mandates a government study of the impact of employer responsibility requirements and a recommendation to Congress on whether an employer hardship exemption is appropriate. This report would be due January 1, 2012.

CAHCH will continue to monitor the progress of health care reform in the coming weeks and will report on developments of interest to our members.

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