

EMPLOYER-SPONSORED INSURANCE

The employer-sponsored insurance market is the most effective system of delivering healthcare benefits in the United States, with more than 177 million Americans currently receiving their health insurance from their employer. Employee insurance premiums are currently untaxed. Adjusting this could be catastrophic to the employer-sponsored insurance system.

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STABILIZATION OF THE INDIVIDUAL MARKET

Current challenges in the individual health insurance market, if left unresolved, pose a systemic threat to the broader health insurance industry, including the stable and well-functioning employer-sponsored segment. A healthy individual market is important for all constituencies within the industry—U.S. businesses, employees and individual market enrollees.

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Monday, June 26, 2017

The Council's Government Affairs team and its legal counsel at Steptoe & Johnson discussed politics and policy around the Senate GOP's [Better Care Reconciliation Act](#), and what impact the legislation could have on Council member firms. [Click here for the slide deck.](#)

Highlights

UPDATE as of 6/27: The vote has been delayed until after the July 4 recess, [according to reports](#)

- The [CBO scoring of the bill](#) was released late Monday and indicates that 22 million Americans would lose their health insurance by 2026 under the legislation
- Of the 177 million Americans who receive their healthcare through their employer, Council members cover 2/3 of them; the [preservation of the employer tax exclusion](#) in the bill is our top priority
 - [Click here for a comparison chart of the ACA, AHCA \(House bill\) and BCRA \(Senate bill\)](#)
- **Most Significant Development in the BCRA:** allows for the establishment of association health plans as large group plans for small businesses/individuals. These plans would be exempt from the community rating and essential benefit requirements imposed on small

Contact Us

Cheryl Matochik, *Senior Vice President, Strategic Resources & Initiatives*, 202.662.4424, cheryl.matochik@ciab.com

Joel Kopperud, *Vice President, Government Affairs*, 202.783.4311, joel.kopperud@ciab.com

Joel Wood, *Senior Vice President, Government Affairs*, 202.783.4400, joel.wood@ciab.com

group and individual plans. They would also allow for ERISA-type treatment.

▪ **Other Developments in the BCRA:**

- Zeros out individual and employer mandates
- Eliminates small business tax credit regime for health care insurance after 12/31/19 AND between now and then small business health plans are ineligible for the credit if they cover abortion services
- Generally repeals all of the taxes in effect after 12/31/17 [except the Cadillac Tax, which would be delayed until 2025](#)
- HSA and FSA limits repealed back to the \$5,000 caps; this is exactly the same as the House bill
- Eliminates federal MLR rebate regime in 2018 but requires each State to establish its own MLR regime with rebates
- The bulk of the legislation focuses on Medicaid reform

For more, [check out this summary of key provisions of the legislation](#), as prepared by Steptoe & Johnson.

On Procedure

The Council's Joel Kopperud explained the procedural process going forward (there are 20 days until the longer August recess), and noted that there's much to be accomplished, even outside of healthcare.

It all comes down to whether or not Senate Republicans have the votes. Stay tuned—it's going to be a fascinating week!

Next Call

Mark your calendar—our next Healthcare PULSE call will take place on **Monday, July 24 at 2:00 p.m. ET.**

In the Meantime...

Sign up for our Healthcare in Transition newsletter by emailing Tish Carden at patricia.carden@ciab.com.

Contact Us

Cheryl Matochik, Senior Vice President, Strategic Resources & Initiatives, 202.662.4424, cheryl.matochik@ciab.com

Joel Wood, Senior Vice President, Government Affairs, 202.783.4400, joel.wood@ciab.com

Joel Kopperud, Vice President, Government Affairs, 202.783.4311, joel.kopperud@ciab.com