



The Ohio Chamber of Commerce presents...

## 10 Things Employers Should Know About H.R. 3950 (Senate Bill)

- 10. Restricts Consumer Driven Health Care Options-** The bill makes changes to flexible spending arrangements (FSA), health reimbursement arrangements (HRA) and health savings accounts (HSA). Specifically, the bill limits the amount a person can put into an FSA to \$2500 and increases the penalty for “non-qualified” medical expenses from 10% to 20% of the distributed amount.
- 9. Forced Minimum Benefits-** creates an “essential benefits” package that limits deductibles to \$2,000 for individuals and \$4,000 for families in the small group market, and no out-of-pocket requirements can exceed those in Health Savings Accounts for individuals.
- 8. Individual Mandate-** Requires ALL individuals to obtain health insurance or pay a penalty. Generally allows current coverage, either through the individual market or employer-sponsored insurance, to qualify as being covered.
- 7. Fees galore-** Levies additional fees on pharmaceutical companies, medical device makers and health insurance companies. Starting in 2010, the pharmaceutical manufacturing industry will pay a **\$2.3 billion** flat fee, medical device makers will pay **\$2 billion** and health insurers will pay **\$6.7 billion**- allocated based on the market share of each company.
- 6. Simple Cafeteria Plans-** establishes a new employee benefit cafeteria plan to be known as a Simple Cafeteria Plan allowing small businesses to provide tax-free benefits to their employees. Importantly, it includes self-employed individuals as qualified employees.
- 5. Expands Medicaid-** expands the state Medicaid program to incomes up to 133% of the federal poverty limit (about \$30,000 for a family of 4). The federal government will “pay for” expanded coverage for the first 2 years, after that the states will pick up the tab. This could leave Ohio with a substantial new program to budget for in years to come.
- 4. New government subsidies-** Tax credits for individuals and families likely making up to 400% of the federal poverty level, which computes to \$88,000 for a family of four.
- 3. Tax on “Cadillac” health plans-** Levies an additional 40% tax on health plans that exceed \$8,000 for individuals and \$23,000 for families.
- 2. Government-run, public option-** Creates a government-run health care option that has the power to “set” provider reimbursement rates much lower than private insurers can, states can opt out. This enables costs to be kept artificially low within the public plan and unfairly compete with private insurers, ultimately leading to a single government run plan- courtesy of the American taxpayers.



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1. **Employer Requirements**- specifies that employers with more than 50 employees must pay a \$750 penalty (per full time employee) if they do not offer coverage and have at least one employee receiving premium assistance. Additionally, an employer with more than 50 employees that offers coverage that is deemed “unaffordable” or does not meet the standard for minimum essential coverage and has at least one full-time employee receiving the premium assistance will pay the lesser of \$3,000 for each of those employees receiving a credit or \$750 for each of their full-time employees total. Finally, employers with more than 200 employees must automatically enroll new employees.