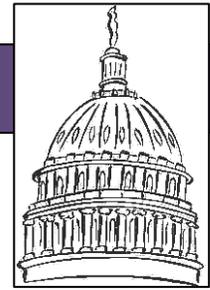




Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM **Update #12** **April, 2013**

Administration Hits Pause On Health Exchanges For Small Businesses

The Obama administration is delaying the start of a key piece of the Affordable Care Act. Workers in small businesses will have to wait an additional year to be able to choose from more than one plan in the marketplaces that start next January.

The delay was first proposed in regulations issued last month and confirmed earlier this week in an acknowledgment by the administration that it will not be able to meet the tight timetable it has set to get these health exchanges up and running by October 1, when enrollment is set to begin.

The change will not affect the options for individuals in the health exchanges. While most people refer to the exchanges as a single entity, there are actually two separate pools: one for individuals and another one for employees of small firms. Individuals will have a choice of plans from the start, January 1, 2014.

The cause of the delay is due to 33 states not electing to run their own exchanges. In these instances the federal government would have to create a federal exchange for the state or provide support in combination with the states. In Iowa the combined federal/state exchange was the option chosen. According to the federal government, there is not enough time to set up competing plans for the small business exchange, formally known as the Small Business Health Options Program, or SHOP.

As a result, the Department of Health and Human Services said Monday, "We have proposed that in 2014, a SHOP may elect to have businesses choose one plan to offer employees, and in 2015 employees will be able to choose from the full range of plans in the Marketplace."

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