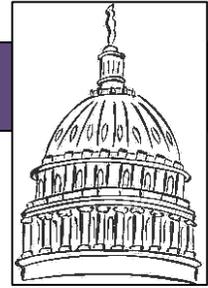




## Health Care Reform Update



### **IMPORTANT NOTICE REGARDING HEALTHCARE REFORM** **Update #62** **November, 2016**

#### The 45th U.S. President Has Been Elected – Are Changes Coming to the Affordable Care Act?

The 45th U.S. President has been elected and the Affordable Care Act (ACA) is going to be a top priority. President-Elect Donald Trump, throughout his campaign, vowed to repeal and replace the Affordable Care Act (ACA) if elected President. Now that the election is over, what can we all expect?

Even though President Elect Trump has vowed to repeal and replace the law, it may not be as easy as it sounds. Once inaugurated into office, President Trump and the republicans in Congress could repeal the ACA law through the use of reconciliation, however, they do not have the 60 seat majority needed in the senate to pass a replacement for the ACA without bipartisan support, which could slow the process. Even under the most ambitious of timelines, repeal will likely not happen until a replacement plan has been developed and is found satisfactory by enough bipartisan votes in Congress to pass.

Repealing the law will not be popular with those who were able to purchase coverage due to the prohibition on pre-existing condition exclusions, the changes made to medical underwriting requirements and those receiving subsidies for coverage purchased through the marketplace. A full repeal of the law would cause numerous issues for these Americans.

More than likely, initial discussions will focus on creating a transitional plan to cushion the blow to those who purchased coverage under the health law if the law is repealed and efforts to dismantle portions of the law making it easier to repeal. The Trump Administration will likely make aggressive use of Executive Orders and direct Executive Branch agencies to use their discretion to defer further implementation. As is common with a new Administration, the Trump Administration is also likely to freeze any pending or proposed regulations that have not yet been finalized.

It's also possible for the Obama administration to try and push through regulations their remaining months in office making it more difficult for the Republicans to dismantle portions or all of the law.

Future proposals for replacement will most likely continue certain aspects of the current law, such as the prohibition on pre-existing condition exclusions and coverage for dependents to age 26. These proposals must also take aim at the rising premium costs and increase patient choice. President Elect Trump has proposed expanding tax-free health savings accounts and could alter the current exchanges to promote high-deductible health plans and health savings accounts.

President Elect Trump has also proposed selling insurance across state lines, block-granting Medicaid, and giving tax credits to people to help affordability.



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**What do we do for now? Continue compliance with the law.**

While it may be possible for the Trump Administration to exercise less enforcement discretion, employers should continue to ensure that they are in compliance with the provisions of the ACA law, such as, timeline and requirements of the Summary of Benefits and Coverage (SBC) and employer shared responsibilities and information reporting.

What the future will bring to the ACA law is somewhat unknown. What is known is the Trump Administration will make the attempt to change the law as we know it. As your trusted advisor, Bernie Lowe and Associates, Inc. will maintain compliance capabilities and will remain dedicated to keeping our clients informed of all changes as they happen. We are here to help you understand the impact and to help ensure compliance.

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Bernie Lowe & Associates, Inc. is not providing any legal advice with regard to compliance with the requirements of the Affordable Care Act ("ACA"). Bernie Lowe & Associates, Inc. makes no representation as to the impact of plan changes on a plan's grandfathered status or interpretation or implementation of any other provisions of ACA. Bernie Lowe & Associates, Inc. will not determine whether coverage is discriminatory or otherwise in violation of Internal Revenue Code Section 105(h).