

This Week in Health Care Reform: April 2, 2010

President Obama finalized his health care reform package this week, signing into law the package of fixes approved by the House late last week. While some of the new provisions won't take effect until 2014, some will be phased in beginning this year.

As the health care reform debate continues to take shape this year, we encourage you and others to engage members of Congress by visiting the [Health Action Network](#).

Health Care Reform

President Obama Signs Final Health Care Bill into Law: On [Tuesday](#), President Obama signed into law the package of [changes](#) to the newly enacted *Patient Protection and Affordable Care Act*. Approved over unanimous Republican opposition in both chambers of Congress, this reconciliation [bill](#) increases the overall cost of the health care [reform](#) legislation by \$65 billion, bringing the new total to \$940 billion over the next 10 years.

What Does This Health Care Reform Legislation Mean: The biggest [changes](#) to the nation's health care system will not take effect until 2014; some of those include the creation of insurance marketplaces called "exchanges" where people can shop for insurance; rules requiring insurers to accept all applicants including those with pre-existing conditions; and an expansion of state Medicaid programs. Some additional [provisions](#) will become effective immediately while others will kick in later this [year](#).

Some of the [features](#) of the new health care overhaul bill passed through the reconciliation process and slated to begin to take effect in 2010 include:

- For new sales and subscribers who change policies after 3/23/10, insurance companies will be required to make additional changes beginning in approximately six months, such as removing any member cost sharing for "preventive" benefits, as defined by the legislation; and renewal product requirements beginning for plan years 6 months after enactment, include:
 - Coverage for dependents up to age 26;
 - Removal of limits on lifetime maximum benefits;
- Federal temporary high-risk pools; and
- Tax credits for small employers.

Health Care Reform Impacts on Premiums: There are concerns that the new taxes on health coverage will likely increase premiums. Members of the news media report that under the health care [overhaul](#), young adults who buy their own insurance will carry a

heavier burden of the medical costs of older Americans. This is expected to raise insurance [premiums](#) for young people when the plan takes full effect in 2014.

Additional Activities

Several Companies Push to Repeal Provision of Health Law: The [American Benefits Council](#), an association representing hundreds of large corporations, urged President Obama and Congressional Democrats to repeal a provision in the health care bill that reduces the [tax deductions](#) allowed to companies that provide drug coverage for their retired employees. As a result of this impending provision, companies like [AT&T](#), Caterpillar, Prudential, Deere Co., and 3M, have all announced substantial charges against their first quarter earnings in order to comply with federal accounting rules.

Insurers Will Comply With Law Regarding Children's Coverage: This past week, despite vague language in the new [health care](#) law regarding coverage of those with pre-existing [conditions](#), insurance companies assured HHS Secretary Kathleen Sebelius that they await clarification and will [comply](#) with the law, effective beginning later this year.

Indiana Joins States' Lawsuit Against Health Care Bill: In response to the new health care reform legislation, the Attorneys General of several states across the country filed [lawsuits](#) arguing against the constitutionality of requiring Americans to purchase health insurance. This week, the state of [Indiana](#) joined 13 others in a lawsuit filed last week in a Florida federal court. The 14 states, which include Indiana, Florida, Alabama, Colorado, Idaho, Louisiana, Michigan, Nebraska, Pennsylvania, South Carolina, South Dakota, Texas, Utah, and Washington, will become joint plaintiffs in the suit and split the costs of the legal [challenge](#).

Doctors Group Files Lawsuit to Repeal Health Care Legislation: The Association of American Physicians and [Surgeons](#) filed a lawsuit in the U. S. District Court for the District of Columbia against Health and Human Services Secretary Kathleen Sebelius and Social Security Administration Commissioner Michael Astrue. Attorneys for the group argue that the insurance [mandate](#) is unconstitutional. They also argued against the constitutionality of other provisions saying, "If the bill goes unchallenged, then it spells the end of [freedom](#) in medicine as we know it."

Public Opinion

More Americans Disapprove of President's Handling of Health Care: In a recent [CNN poll](#), 54 percent of Americans disapprove of the way President Obama is handling health care reform, while 45 percent approve. In addition, 56 percent of respondents feel the Democrat's health care legislation creates too much government involvement in the nation's health care system.

Americans Unhappy over Health Care Reform Passage: In a recent [USA Today/Gallup poll](#), 50 percent of Americans said the recent passage of health care reform legislation is a

bad thing. Further, [55 percent](#) say healthcare costs in the U.S will [rise](#) as a result of the bill.

Two Polls Offer Different Results: In a newly released [Rasmussen report](#), 54 percent of Americans favor repealing the recently enacted health care legislation. Further, 49 percent believe the new law will reduce the quality of care, while 60 percent think it will increase the federal budget deficit. In [contrast](#), supporters of reform are touting the recent [CNN poll](#) that shows 50 percent of Americans are either fine with the new legislation or would favor seeing more government involvement in health care. In this poll, only 47 percent of Americans favor repealing the bill.

Looking Ahead

Late this [week](#), President Obama travelled to the swing states of Maine and North Carolina to discuss details of the new health care reform law and its effects on unemployment and small business. At the same time, Republicans continue to debate how best to leverage growing discontent over the bill and its implications in the months leading up to the November elections. In the meantime, it's within federal agencies such as the U.S. Department of Health and Human Services that much of the detail, timing and the how-to questions will be worked out going forward.