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BENEFIT CONSULTING GROUP

NEWS BULLETIN

President Trump's Healthcare Executive Order

Yesterday President Trump issued an executive order directing the Department of Labor (DOL), Health and Human Services (HHS) and Treasury to develop new regulations to allow for exemptions from the Affordable Care Act.

Some of the directives included in the order include:

Short-term policy – since these plans exclude pre-existing conditions they tend to have lower premiums but typically are only for a 90-day period. The order wants to extend the policy coverage period up to a year.

Employer contribution – the order would revise the rules to allow for employers to contribute toward an employee's individual plan policy, either directly or via an Health Reimbursement Arrangement (HRA), to buy their own insurance.

Association health plans – loosen restrictions on allowing association health plans which are governed by federal and not state insurance regulations in an effort to offer lower cost coverage and enable them to buy health insurance across state lines.

The three agencies were given between 60 to 120 days to consider revising the regulations to be proposed. However, any proposed changes to the rules must also go through a review process and a period of public comment.

Regarding individual type policies, the White House stated that based on guidance from the Department of Justice, HHS has concluded that there is no appropriation for cost-sharing reduction (CSR) payments to insurance companies under Obamacare. Therefore, the Government cannot lawfully make the cost-sharing reduction payments.

Insurers have already submitted their premiums for 2018 and in many cases raised rates on the assumption that CSRs would be cut off.

However, federal premium tax credit subsidies available through the Exchanges will continue to be available.

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