



## **Benemax News Blast**

### **Client Update Federal Health Care Reform**

**March 24, 2010**

Last Sunday evening, the House of Representatives passed the federal health care reform bill. On Tuesday morning, President Obama signed the bill into law. In the days to follow, a reconciliation bill will make its way through the Senate.

Over the next ten years, this legislation will significantly alter the health care system in the United States.

Later this year, children will be eligible for coverage under a parent's medical plan up to the age of 26 and insurance carriers will not be able to deny coverage to children with pre-existing conditions, impose lifetime dollar limits or cancel a policy because a member becomes ill.

The Medicare Part D Prescription Drug coverage will be gradually expanded, eliminating the so-called "doughnut hole" completely by 2020. Members who fall into the hole in 2010 will receive a \$250 rebate.

Because of the long implementation period for this new law, the impact on Benemax clients in 2010 will be minimal. (Massachusetts law already provides for coverage for children up to age 26 in most cases.)

Major changes, such as the individual mandate, the employer mandate, the prohibition on pre-existing condition limitations for adults, the excise tax on "Cadillac" plans, state based medical insurance exchanges and insurance market reforms will begin in 2013 or later.

We will be following the reconciliation bill through the Senate and tracking the regulatory process as various Departments and Agencies issue regulations to implement the law. Benemax will keep its client apprised of developments as more information becomes available.

Should you have any questions regarding compliance matters, please feel free to contact Benemax Compliance Officer Walter Hiltz, at 800-528-1530 ext. 120 or [walter@benemax.com](mailto:walter@benemax.com)