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## Speaker: Affordable Care Act advances toward goal

### While the uninsured rate drops, attorney says, employers' costs are unknown

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by / Liam Marlaire Leader-Telegram staff

The Affordable Care Act has made significant progress in its core goal, according to a local attorney who specializes in employment law.

The uninsured rate in the U.S. has dropped from 20.3 percent in 2012 to 12.6 percent this year, said Steve Weld of the Eau Claire law firm Weld, Riley, Prenn & Ricci. There are 17.6 million newly insured over that period.

"To that extent, it's been very successful," Weld said Tuesday during the program "Affordable Care Act Update: What Employers Need to Know." Mary Ellen Schill of Ruder Ware also presented during the event.

What remains unknown, Weld said, is the ultimate cost to employers. Pending antitrust negotiations, costs also will be affected as the insurance industry narrows to the "Big Three": Aetna, Anthem and UnitedHealthcare. Aetna is acquiring Humana while Anthem is buying Cigna.

The consequences of the consolidation in the insurance industry is threefold, Weld said:

Images:



Weld



Schill

- There will be decreased competition among insurance providers, which means they'll be able to dictate price.
- There will be a decline in administrative costs. "We don't know yet if the cost savings will be passed on to consumers," Weld said.
- Insurers will have increased leverage to negotiate with health care providers, particularly in the cost of drugs.

Two U.S. Supreme Court decisions — King v. Burwell and Obergefell v. Hodges — have upheld the legality of the ACA, Weld said, which requires as of Jan. 1 that employers with at least 50 full-time equivalent employees offer affordable, minimum-value health coverage to at least 95 percent of their full-time employees and their dependents or face penalties.

A pressing concern, Weld said, is a Cadillac Tax scheduled to go into effect Jan. 1, 2018. The tax will be imposed on insurers and employers with self-funded health plans with annual premiums that exceed \$10,200 for individuals and \$27,500 for families. The tax is 40 percent of the excess of the annual value of a health plan's cost above the aforementioned thresholds.

Weld said the tax is intended to discourage excessive health care spending as insurance companies more aggressively negotiate with health care providers. It also generates funds to support the ACA, he said.

Currently, a full-time employee in the ACA is one who works at least 30 hours a week. Although some parties are trying to push that threshold to 40 hours, Weld said "legislative changes are unlikely in the current political climate."

Schill, who detailed specifics about employer filings during the presentation, said ACA has spurred collaboration in some circles.

“I’m seeing some employers coming together, finding commonalities and contracting with hospitals (and other health care providers),” she said.

Ross Bjella, CEO of Milwaukee-based insurance software provider Alithias and a presenter for the upcoming program “Innovations in Healthcare” at UW-Stout, encouraged employers to educate themselves.

“Deductibles and costs are going to continue to go up, not down,” he said in a news release. “Ultimately, we’re all going to be affected, but forward-thinking companies want to address it now.”

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- For more information about the Affordable Care Act, call Weld, Riley, Prenn & Ricci at 715-839-7786 or reach Mary Ellen Schill via Twitter (@wausauesq).