

Health Care Reform is Here – How Will it Impact the Health Benefits Provided by the Equity-League Health Fund (“Fund”)?

The new health care reform legislation signed into law on March 23rd of this year is likely to impact health care benefits and health care itself for decades to come. At this point, our understanding of exactly how the law will work, especially in the years when it will have its largest impact (2014 and beyond) is murky at best. Many policies, procedures and regulations will need to be promulgated and interpreted before all the provisions of the law are fully understood. However, here are some things that we do know at this point:

- Dependent coverage must be offered to all dependent children through age 26 by an existing non-collectively bargained health plan’s first plan year that begins on or after September 23, 2010 if they do not have coverage under their own employer’s health plan. The Fund currently covers dependent children who are full-time students through age 25, on a fully self-paid basis. The Trustees have elected to make dependent coverage available to all dependent children through the age of 26, on a fully self-paid basis, within the next few months (well ahead of the date required by the law, which may be even later for our Fund since we are collectively bargained). Further details regarding this benefit liberalization will be published on this web-site, and in “Now Playing”, shortly.
- Lifetime maximum dollar limits on coverage for essential benefits are eliminated for all insured and self-insured plans, but the Fund does not impose lifetime maximum dollar limits, so the Fund is already in compliance with the new law.
- Employer sponsored health plans that cover early retirees ages 55 to 64 (including the Fund) may apply for a subsidy that will help to defray the cost of large claims made by individual Plan participants who are early retirees. The Fund intends to apply for this program, but the monies available for the program are limited and we do not know at this point whether the Fund will be approved to receive a subsidy for any large claims made by early retirees.

Some other provisions of the law that may affect those covered by the Fund include:

- This calendar year, Medicare beneficiaries will receive a one-time rebate of \$250 towards closing the "donut hole" in their Medicare Part D prescription drug coverage. Next year, 50% of the doughnut hole will be covered and the hole will be eliminated entirely by 2020.
- Medicare will cover one visit per year to a primary care physician for the purpose of planning preventive medical services.
- Starting in 2011, a voluntary federal program will provide long-term care insurance and cash benefits to people with severe disabilities. The amount of benefits will vary with the degree of a person's disability, but cannot average less than \$50 a day.

Many more, and more profound, changes are scheduled to go into effect beginning in 2014. And the Fund will be impacted in a very significant way by a number of these changes. However, much clarification regarding the interpretation of the law, and the

regulations promulgated in connection with the law, will need to be made before we will be able to fully assess its impact on the Fund. In the meantime, the Fund's attorneys, actuarial consultants, auditors and other professionals are carefully monitoring developments and we will keep you informed of those developments as they unfold.

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