Healthcare Issues in 2013
(and the near future)
HEALTHCARE ECONOMIC IMPACT

The Good

• Employment
  – Payroll
    • Retail Sales
• Construction
  – Payroll
    • Retail Sales
• Supplies/Materials/Goods
  – Local Businesses
    • Payroll
      – Retail Sales

The Not So Good

• Increasing Cost of Healthcare
  – Research
    • Progressive approaches to battling disease
  – Pharmaceuticals
  – State-of-the-art equipment
• Cost of Caring for the Uninsured
  – Safety Net Hospitals
  – FQHCs
Healthcare Economic Impact

El Paso County Current Uninsured %

- Texas (6.1M) - 24.4%
- El Paso (208K) - 26.0%

Healthcare Reform and How it Affects Employers

- Employers not required to provide employee health insurance.
  - However, employers who employ 50 full-time employees may have to pay penalties for not providing health insurance or offering insurance that is too expensive for employees.
- Penalties will be effective January 1, 2014
HEALTHCARE ECONOMIC IMPACT

Healthcare Reform and How it Affects Employers

• Penalties for offering “unaffordable” health insurance
  $2,000 to $3,000 per employee
  • If employee receives a credit or cost sharing assistance because the employer pays less than 60% of the full value of the coverage, or
  • The premium the employee pays is more than 9.5% of household income

• “Free Choice Voucher”
  • Offered to low income employees
  • Equal to what the employer would have contributed to the employee’s health insurance cost

HEALTHCARE ECONOMIC IMPACT

Healthcare Reform and How it Affects Employers

• Effective March 1, 2013, employers will be required to notify current and new employees, in writing, of the availability of, and services offered by, healthcare exchanges.
  • Texas has notified the Government that it will not develop Insurance Exchanges or participate in Medicaid Expansion

• Employers with more than 200 employees will be required to automatically enroll fulltime employees in the health plan.
  • Employees will be given the option to opt out of the plan
    • Individual penalties will apply
HEALTHCARE ECONOMIC IMPACT

Healthcare Reform and How it Affects Employers

Now the good part:

• Coverage to continue for adult children until the age of 26
  – This applies to children under the age of 26 regardless of prior criteria such as the child being married, a full-time student or residing with the parent.

Insurance plan years beginning on or after September 23, 2010 will:

– no longer impose a lifetime dollar limit and annual dollar limits will be prohibited after the end of 2014
– no longer impose pre-existing conditions for children 19 and under
  • As of January 1, 2014, all preexisting condition exclusions will be eliminated
– Beginning January 1, 2014, group health plans waiting periods will not exceed 90 days
Q & A

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