



Onto 2020: What Changes Are Ahead For Employee Benefits

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Life's brighter under the sun



Agenda



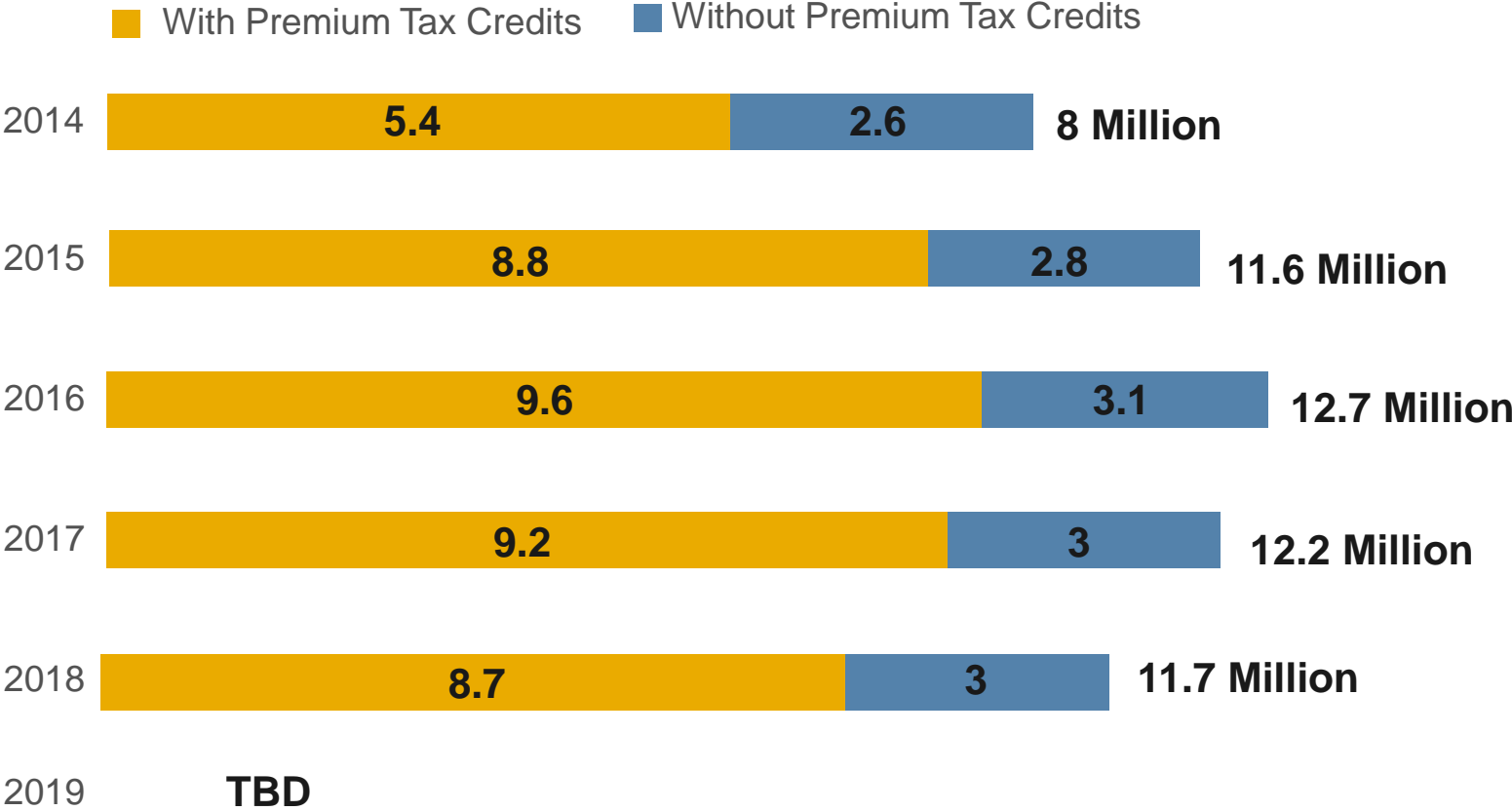
1 The ACA: Where Do We Go From Here

2 “Under The Radar” Benefit Issues

3 Onto 2020.....

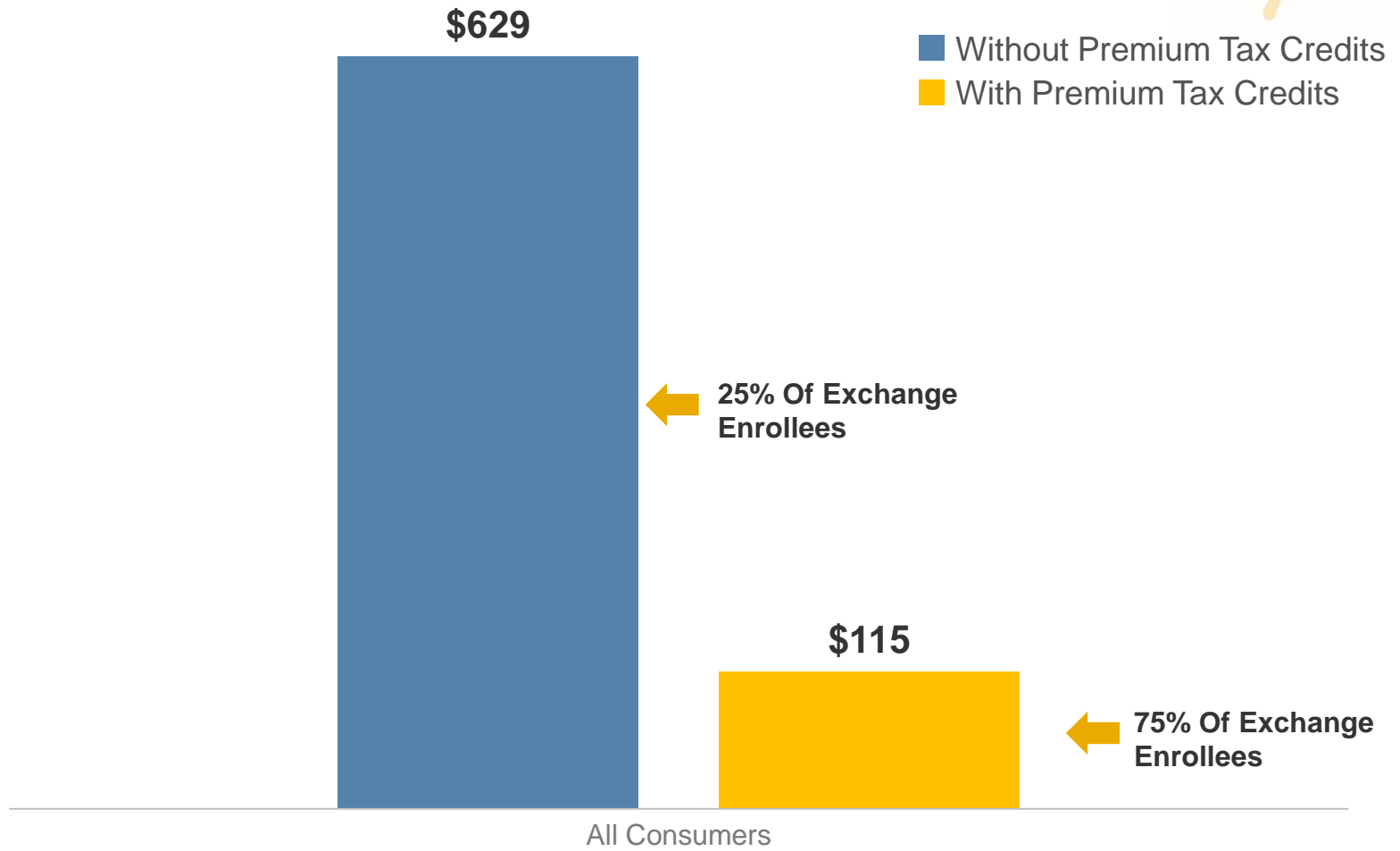


Exchange Enrollment: Ups & Downs



Source: CMS

A “two-tier” pricing model

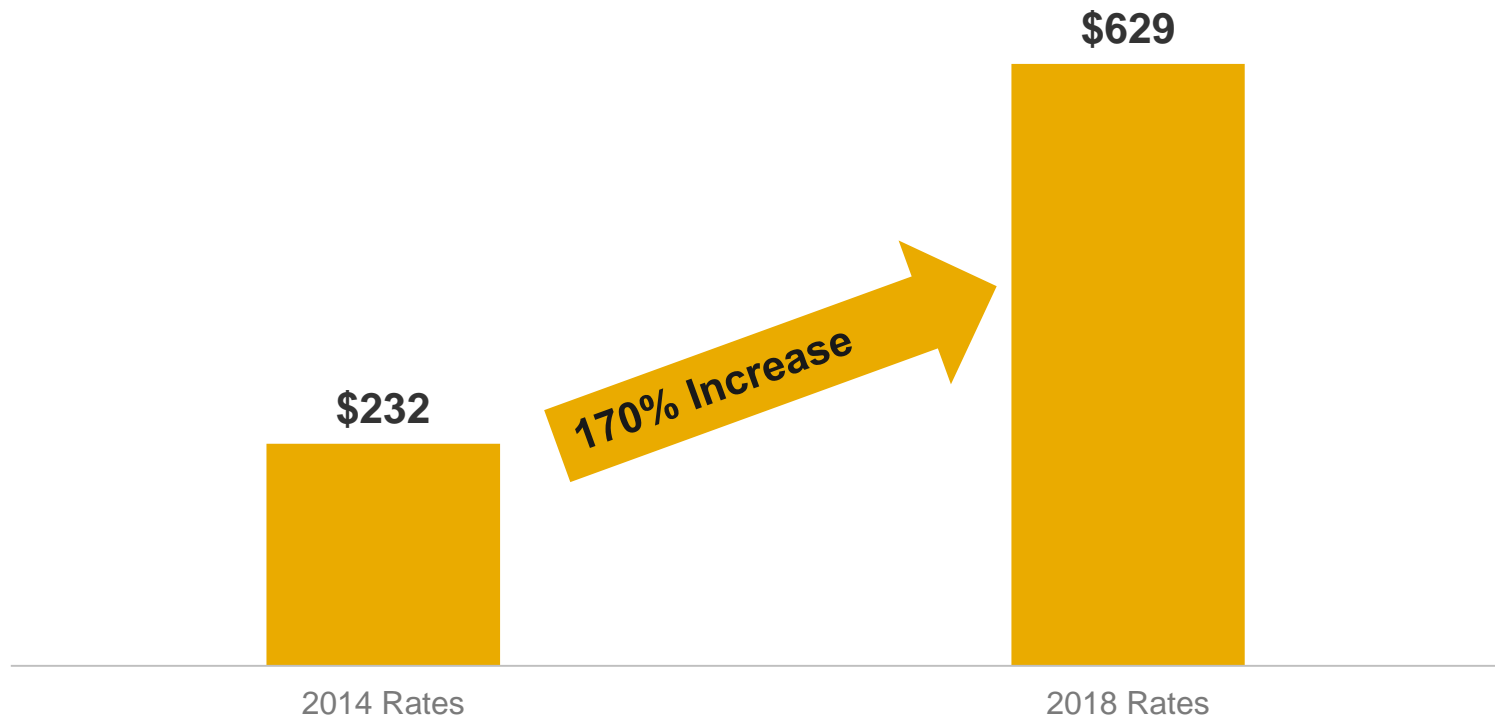


Source: CMS

A “two-tier” pricing model



Average Premium Without Premium Tax Credits

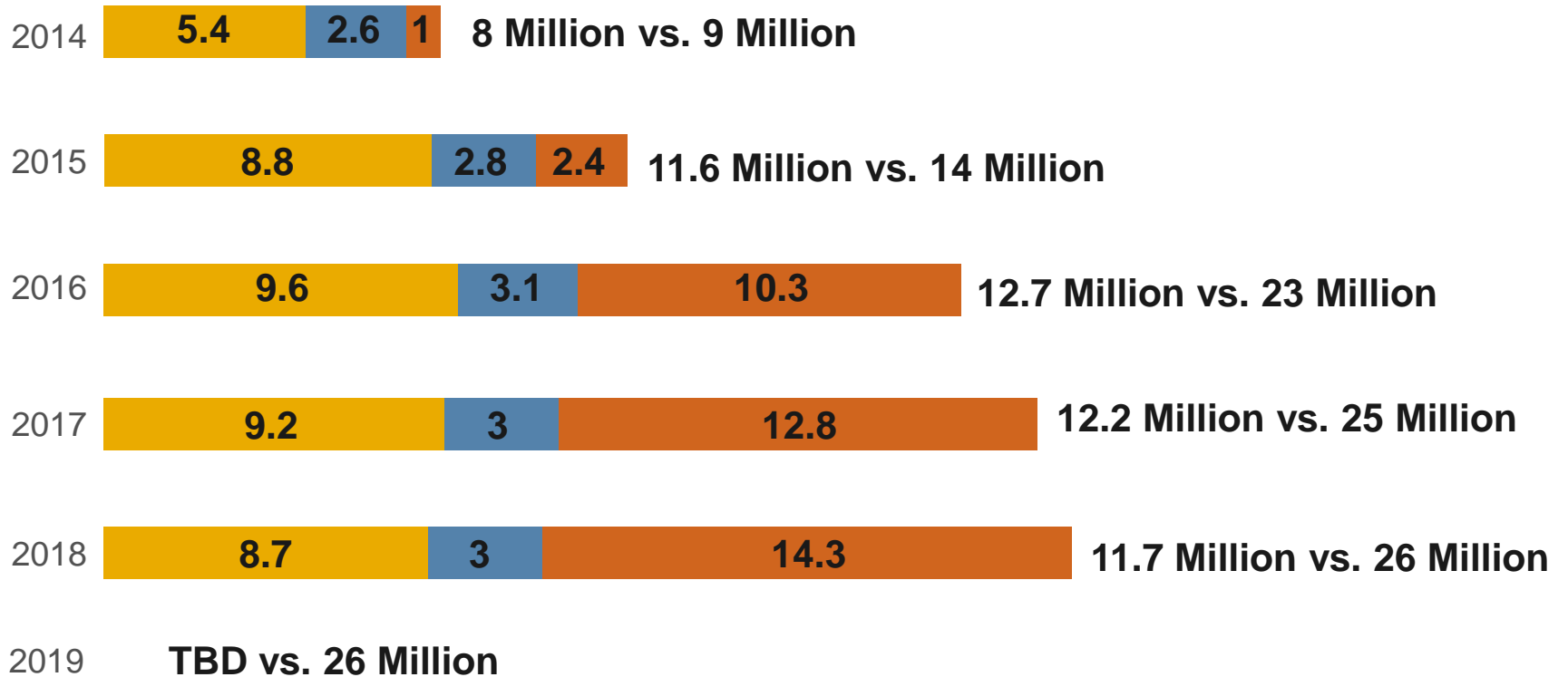


Source: CMS



Projections vs. Reality

■ With Premium Tax Credits ■ Without Premium Tax Credits ■ CBO Projected Enrollees



Source: CMS and CBO



Exchange challenges ahead?

2019 and beyond challenges

- Individual mandate penalty “zeroed” out
 - Potentially 3 million fewer Exchange enrollees
- Association health plan expansion
 - Potentially 1 million fewer Exchange enrollees
- Legal Challenges
 - Texas Court has ruled entire ACA to be unconstitutional

ACA heading back to Supreme Court?



Texas v. United States

19 states have joined Texas in this lawsuit

Argument:

- 2012: ACA constitutional because individual mandate is a tax
- 2017: Individual mandate tax reduced to zero
- Therefore entire ACA is unconstitutional

U.S. Government Argument:

- Individual mandate and underwriting prohibitions should be ended
- Remainder of law should remain

17 states, led by California, filed a motion to intervene

Argument:

- Supreme Court has twice found ACA to be constitutional
- Individual mandate tax is still in place

ACA Heading Back To Supreme Court?

What happens next?

- ACA continues “as is” during the appeal
- Appeal to be heard by 3 Fifth Circuit Judges
- Appeal could then be heard “en banc” by Fifth Circuit
- Appeal could then be heard by Supreme Court
- 3 Possible Outcomes
 - Entire law upheld
 - Entire law ruled unconstitutional
 - Individual Mandate / Underwriting Protections unconstitutional



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Drug Prices: American Patients' First



- Released in May, contains questions and policy ideas
- Is an attempt to “look differently” at ways to control drug prices
- **Eliminate “gag clauses” – Patients Right To Know Act**
 - Bi-partisan legislation passed House and Senate
- **Disclose drug prices in direct to consumer advertisements**
 - Regulations have been released
- **PBM Rebates**
 - No longer to be allowed for Medicare
 - Legislation could impact commercial insurance market
- **Examine foreign “price controls” that impact US consumers**
 - HHS and USTR are “studying” the issue

“Medicare For All” legislation

Senator Sanders: Medicare For All Act of 2017 (S. 1804)

Goal of covering all Americans under a government-run health insurance program

- Would end the current employer-sponsored health insurance system
- Under the plan, consumers would not be liable for any out-of-pocket spending on copays or emergency room visits, only on prescription drugs
- The plan is estimated to cost \$30+ trillion and paid for in part by:
 - 2.2% income tax
 - 6.2% levy on employers



- Bill had 15 co-sponsors in the Senate including:
 - Senator Gillibrand (NY),
 - Senator Harris (CA),
 - Senator Warren (MA),
 - Senator Booker (NJ)

Source: Congress.gov

Other issues to watch...



- **Disability plan enrollments**
 - Department of Labor likely to issue guidance affirming the ability of plans to “auto-enroll” employees into disability plans
- **Legislation regarding “Balance Billing”**
 - Bipartisan group of senators discussing legislation that would limit patients’ exposure, put more liability on plans
- **Paid Family & Medical Leave**
 - More discussion on the federal level, action on the state level

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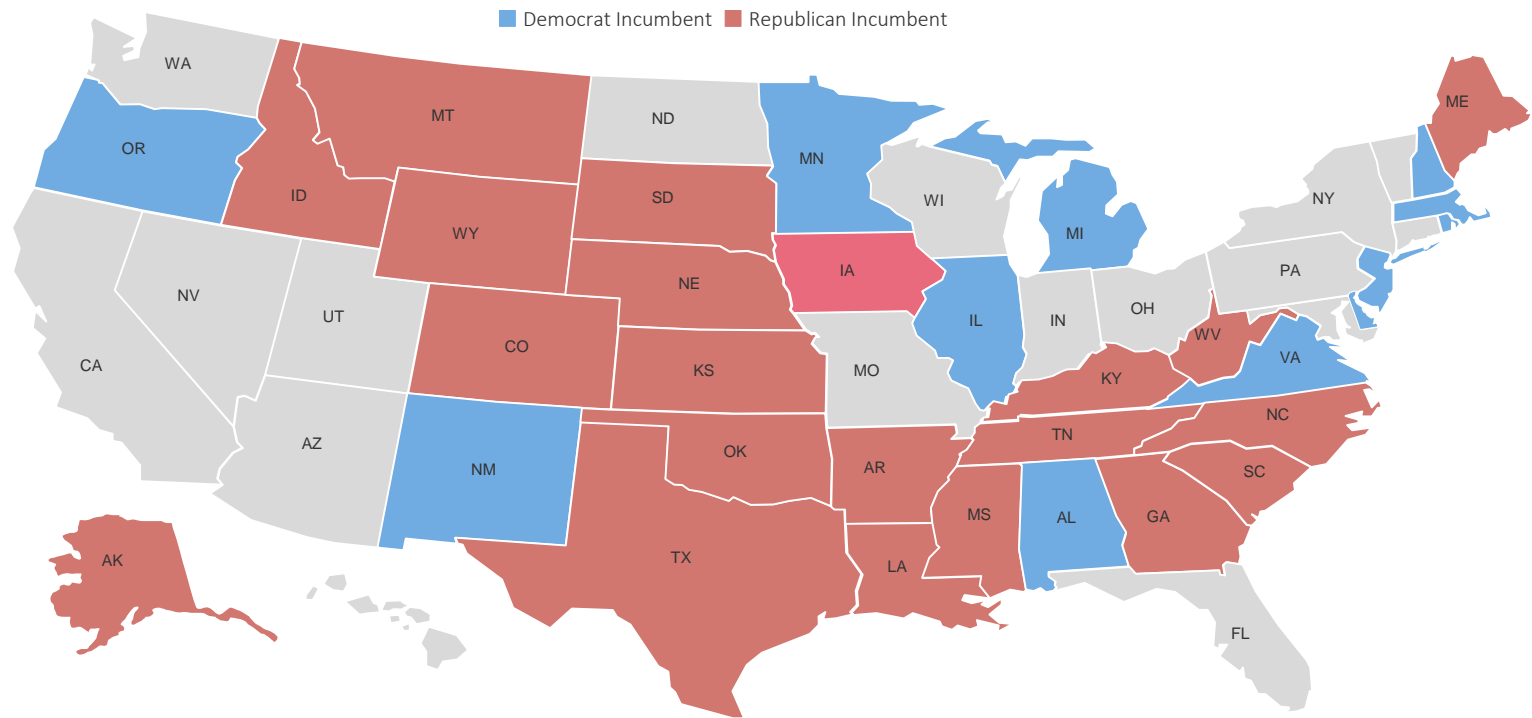


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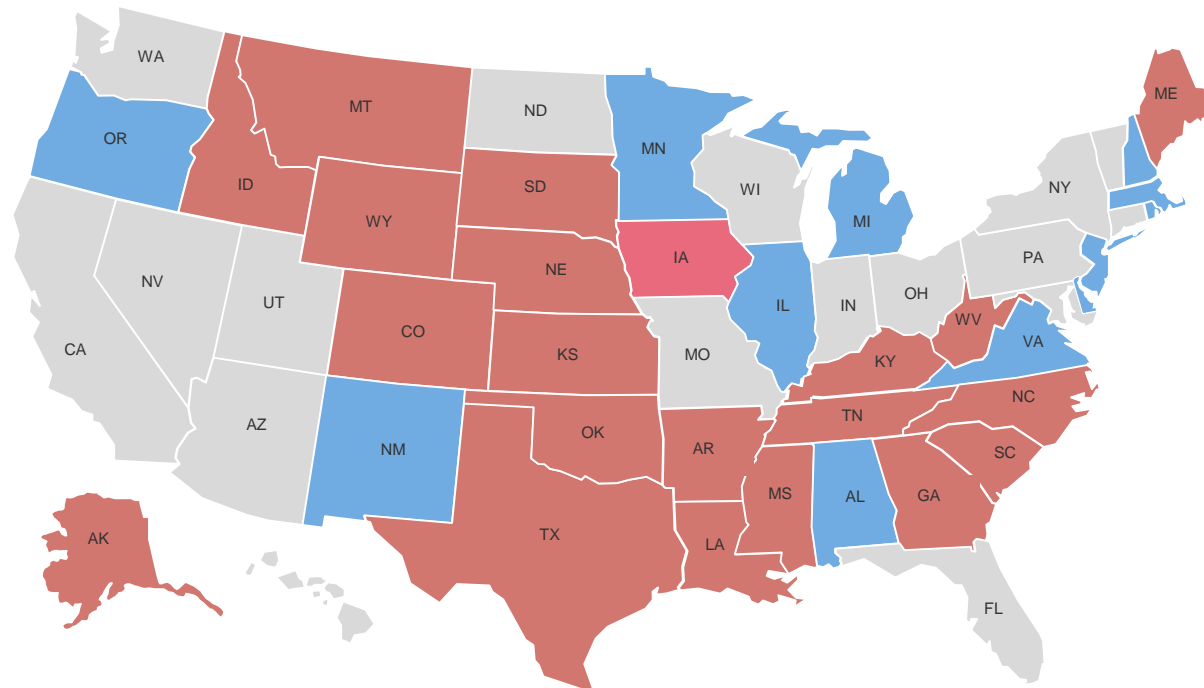
2020 Senate races



2020 Senate races

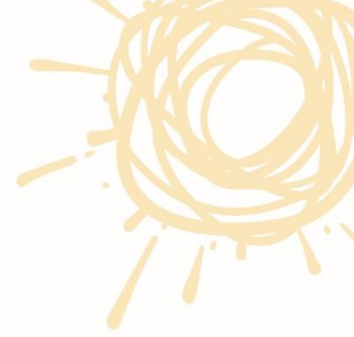


■ Democrat Incumbent ■ Republican Incumbent



States To Watch:

- Alabama
- Colorado
- Iowa
- Maine



2020 dates to remember

- February 3: Iowa caucuses
- February 11: New Hampshire primaries
- February 15: Nevada Democratic caucus
- February 22: South Carolina Democratic caucus
- March 3: “Super Tuesday”

Summary



- 2019 is another important year for ACA
- Employee Benefits issues continue to evolve
- 2020 elections are around the corner



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