

NEW BURDENS ON EMPLOYERS IN H.R. 3200

- All employers with total payroll over \$250,000 will be required to provide “Qualified Health Benefits” for their employees and their dependents or pay a pay-roll tax of up to 8% of payroll.
- Further, employers will be required to pay 72.5% of premiums for their employees.
- Requirement to provide dependent coverage (and pay 65% of premiums).
- Government-run public health insurance plan will increase cost-shift burdens on employers and destabilize private insurance coverage.
- No annual or lifetime limits on coverage for all health plans.
- New provider network adequacy requirements on all health plans.
- New minimum actuarial value requirements on all health coverage.
- After 5 years all plans will also be required to meet the “qualified health plan” definition – ERISA plans will no longer have design flexibility.
- Flexible Spending Accounts (FSAs), Health Spending Accounts (HSAs) and Health Reimbursement Arrangements (HRAs) will no longer be eligible for over-the-counter medical purchases.
- Mental health parity required for ALL employers (including 50 and under which were carved out).
- New onerous record keeping requirements on employers.
- Maintenance of effort mandate for retiree health benefits (added in Education & Labor Committee).
- Expansion of COBRA coverage until insurance exchanges are implemented (added in Education & Labor Committee).
- Premium tax on all participants in fully-insured and self-insured plans to fund comparative effectiveness research program. (new tax).