



BENEFIT NEWS BRIEFS

Budget Deal Repeals Health Reform Voucher Provision

According to published reports (*Business Insurance* and *The Hill*, among others), the budget deal worked out last Friday will repeal the *Affordable Care Act* health care voucher provision. In 2014, the voucher provision would have allowed workers who make less than 400% of the Federal Poverty Level to get a voucher if their employer-sponsored coverage would cost them between 8% and 9.8% of their income. See <http://www.healthcare.gov/foryou/family/have/work/costs/> for the government summary of the voucher program.

According to news reports, if those two conditions were met, such low-income employees would be entitled to receive a voucher from their employers. The voucher would be equal to the amount the employer would pay if the employee were enrolled in the employer's plan that offered the "largest" premium contribution by the employer. The employee could use the voucher to purchase health insurance coverage from a state health insurance exchange, which are to be operating by 2014. If the cost of a policy purchased by the employee through the exchange was less than the value of the voucher, the employee could pocket the difference in cash, which would be considered income and taxed.

One vexing provision of the voucher law was how was an employer to know if the employer-sponsored coverage would cost their employee between 8% and 9.8% of their household income. Some opponents feared the need to know the employee's household income would lead to some Orwellian income snooping by employers or the government. The broader budget deal is set for action in Congress this week.

For further details, see *Business Insurance* at:

<http://www.businessinsurance.com/article/20110412/BENEFITS11/110419986> and *The Hill* at:

<http://thehill.com/blogs/healthwatch/health-reform-implementation/155203-budget-deal-nixes-centrist-health-reform-ideas>.

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