

ACA and Employer Health Plans Under President Trump

President Donald Trump has made dismantling the Affordable Care Act (ACA) one of the cornerstones of his administration. Steps have already been taken to begin the process.

The initial steps, including an executive order issued by Trump, have no immediate impact on the ACA. No ACA provisions or requirements have been eliminated or delayed at this time.

However, employers should be aware that the following plan requirements would change if the ACA is repealed:

- Prohibition on lifetime and annual limits
- Out-of-pocket maximum limit
- Waiting period limit
- Prohibition on pre-existing condition exclusions
- Dependent coverage to age 26

- Preventive care coverage requirement
- Prohibition on rescissions
- Patient protections

Repeal Process

The steps that have already been taken to begin the process of repealing the ACA include a budget resolution and an executive order. These acts alone are not enough to repeal the current law.

A full repeal of the ACA cannot be accomplished through the budget reconciliation process. A budget reconciliation bill can only address ACA provisions that directly relate to budgetary issues—specifically, federal spending and taxation. A full ACA repeal must be introduced as a separate bill that would require 60 votes in the Senate to pass.

Likewise, an executive order is not enough to repeal the ACA. The executive order on the ACA is a broad policy directive that gives federal agencies the authority to eliminate or fail to enforce any number of ACA requirements, as permitted by law.

Until the federal agencies begin to take action, it is difficult to know how the ACA will be impacted. The executive order's specific impact will remain largely unclear until the new administration is fully in place and can begin implementing these changes. Additionally, health insurance policies for 2017 are already in place, and state laws, in many cases, prohibit significant changes from being made midyear.

DID YOU KNOW?

Becoming health care literate can be complicated. Knowing your benefits and their costs can be a daunting task for anyone.

In fact, being health care literate might be even harder than you think.

- More than **1 in 3 Americans (77 million people)** have difficulty with common health tasks, like reading a prescription drug label or making a wise health care decision.
- Low health literacy is estimated to cost the United States **\$106 billion to \$238 billion annually** and accounts for **7 to 17 percent** of all personal health care expenditures.

Source: U.S. Department of Education's National Assessment of Adult Literacy (NAAL)

Block Grants: What You Need to Know

"Block grants" are the Republican solution to Medicaid spending, and they are now a key strategy for President Donald Trump's health care plan. Grant blocking is an old Republican strategy, originally pushed by Ronald Reagan in the 1980s. This tactic may indicate how the Trump administration plans to tackle the ACA.

A block grant is a fixed amount of money given to states by the federal government to be used for specific things, in this case Medicaid.

Currently, the nearly 75 million individuals who qualify for Medicaid are guaranteed coverage. The federal government and the state pay for their services jointly, but the government funding is open-ended and specifies what services the state must cover. In the grant blocking scenario, states would have much more freedom in deciding who qualifies for which services.

Lawmakers suggest that block grants could save the country \$1 trillion over the next decade. However, experts are worried it will be at the expense of the elderly and disabled, who comprise the majority of Medicaid recipients.

HR Brief

Human Resources tips brought to you by
AxisPointe Benefit Advisors

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Company Culture Might Be More Important Than You Think

Company culture is the unifying element that holds everyone in an organization together. Culture encompasses the written and unwritten behavioral norms and expectations of those within the company.

Why Is Company Culture Important?

According to Alternative Board's 2016 Small Business Pulse Survey, 93 percent of entrepreneurs believe that promoting company culture is good for productivity and creativity.

Recent studies have revealed that employees highly value company culture in their decision to stay with—or leave—a company. Moreover, it has been proven that employees who identify with and feel a sense of belonging to a company's culture are more productive, happier and want to work for the company for longer.

Retaining employees who are happy and productive is not only good for employee morale, but also for your bottom line. High turnover is costly and can also harm your company's culture and cause remaining workers to become disengaged and unproductive.

A positive and strong company culture not only improves retention rates, it also improves recruiting rates. Prospective employees care about your reputation as a company and are evaluating potential employers on their corporate culture. In fact, many millennials view cultural compatibility with a company as just as important as salary.

How Can I Improve My Company's Culture?

According to Staples Business Advantage, companies can do the following six things to improve their culture:

1. Inspire collaboration.
2. Respect employee input.
3. Improve meetings.
4. Support telecommuting policies.
5. Recruit strong leadership.
6. Encourage sustainability.

These six suggestions are just a handful of ideas for improving your culture. For more information on company culture, contact AxisPointe Benefit Advisors.

DID YOU KNOW?

According to the Bureau of Labor Statistics (BLS), the average hourly wage rose by 10 cents in December 2016. This 2.9 percent increase was the largest annual wage increase since 2009. Experts believe that the tightening of the labor market and relatively low inflation rate contributed to the increase.

Economists have predicted that wages will continue to increase in 2017. If wages do continue to rise, HR will need to evaluate their compensation and benefits packages and make necessary adjustments in order to recruit and retain top talent.

DOL Overtime Rule: Update

The U.S. Department of Labor's (DOL) overtime rule is unlikely to come to fruition. The rule—which was scheduled to take effect Dec. 1, 2016—was delayed by federal court injunction on Nov. 22, 2016. In December, the DOL filed for an expedited appeal of the court injunction.

However, on Jan. 25, 2017, the DOL, which is now under the direction of President Donald Trump, requested a 30-day extension to file a brief in its appeal. Recent [actions](#) by the Trump administration suggest that it is unlikely that the overtime rule will ever become effective, even if the DOL is successful in its appeal.

For now, employers can rely on existing overtime exemption rules. Employers that have already made adjustments to comply with the new rule may find it difficult to reverse any changes.

For employers looking to roll back salary adjustments, carefully consider employee morale and the potential impact that rescinding promised changes will have on your company. The HR department can be a valuable resource for communicating any changes to employees.

