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AFFORDABLE CARE ACT UPDATE

- On Dec. 14, 2018, U.S. District Judge Reed O'Connor issued a ruling that determined the Affordable Care Act (ACA) is unconstitutional. He issued a "declaratory judgment"
- What Judge O'Connor did NOT do was to issue any order explicitly directing the federal government to stop enforcing the law, either as of Friday night or as of January 1, 2019.
- This ACA ruling will have no immediate impact on health-care coverage for Americans. **The U.S. Department of Health and Human Services said it will continue enforcing "all aspects of the ACA."**
- I.R.S. Filing: For Employers with 50+ employees, this ruling **does not void** the 1095 reporting requirement. The 1095 reporting requirement is still in place and penalties will be assessed for non-reporting.
- The ruling did nothing to repeal the ACA mandate for employers (50+ full-time employees) to provide insurance for employees. Large employers must continue to offer health insurance to employees.

What happens next?

- The final resolution on legal action could take years and eventually reach the Supreme Court.
- Congress could take action to pass a new healthcare law to totally replace Obamacare or to make sufficient changes in it to save its constitutionality.

What if the ruling is upheld?

Then, and only then, the entire ACA (containing hundreds of provisions affecting all areas of the health care system) would be struck down. It would void ACA provisions such as protections for people with preexisting conditions, 100% coverage for certain preventive services, dependents remaining on their parents' health plan until age 26, and more.

ExpertQuote Note: Budget accordingly!

For the 2018-2019 plan years, insurance companies have already committed to current ACA plan designs and premiums. All current plans are ACA plans. At renewals in 2019 and into 2020 they will attempt to read the indications of an anticipated final ruling and load in the risk into the premiums.

In simple terms: uncertainty = nervous underwriters = possible higher than average increases

****The White House issued this statement: "We expect this ruling will be appealed to the Supreme Court. Pending the appeal process, the law remains in place."**

Click [here](#) for link to whitepaper from Dec. 14, 2018: A federal judge ruled in Texas v. United States. If you have any further questions reach out to:

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