

HEALTH CARE REFORM: NEW ADMINISTRATION ISSUES EXECUTIVE ORDER ON ACA

On January 20, 2017, President Trump signed an Executive Order directing the Department of Health and Human Services and other agencies involved with administering the Affordable Care Act (ACA) to take steps to minimize the burdens placed on individuals, families, health care providers, insurers and purchasers of health insurance. While the order does not repeal any portion of the ACA, it does reaffirm the Administration's intent to repeal the law.

The order instructs the agencies to exercise their authority and discretion, to the extent permitted by law, to:

- Waive, defer, grant exemptions from or delay implementation of any ACA provision or requirement that would impose a fiscal burden on any state or a cost, fee, tax, penalty or regulatory burden on individuals, families, health care providers, health insurers, patients, recipients of health care services, purchasers of health insurance or makers of medical devices, products and medications.
- Provide greater flexibility to states and to cooperate with them in implementing health care programs.
- Encourage development of a free and open market in interstate commerce for the offering of health care services and health insurance with the goal of achieving and preserving maximum options for patients and consumers.

Noticeably absent from the Executive Order are details about specific actions to be taken or the provisions of the ACA to be targeted. The order, on its face, does not provide any specific relief to employers from the ACA's requirements or its penalties. It remains to be seen how, and to what extent, the agencies will implement the order. Future agency action may include adopting non-enforcement policies or issuing filing extensions.

Until explicit agency guidance is issued or Congress takes action to repeal the ACA, employers must continue to administer their plans in full compliance with existing law. This includes reporting under Internal Revenue Code sections 6055 and 6056 that is due in early 2017. At present, employers subject to the Employer Mandate are still obligated to provide statements to their full-time employees and to report to the Internal Revenue Service by the applicable deadlines.

Keenan continues to monitor ongoing developments at both the state and national level. During these uncertain times, rest assured that we will continue to keep you informed as details about repeal and replacement emerge.

Please contact your Keenan HealthCare Account Manager for questions regarding this *Briefing*.

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