What Does the Future Hold for Health Care Reform?

The Patient Protection and Affordable Care Act (PPACA), also known as Health Care Reform, has been the law of the land since last March, but questions and debate continue to dominate the political landscape.

The House approved legislation to repeal Health Care Reform on January 19. Republicans failed to muster enough votes to repeal the law in the Senate, however. The Senate did vote to repeal a piece of the health care overhaul, rolling back a new tax reporting requirement that’s been unpopular with business owners. The amendment to repeal the Form 1099 reporting requirement passed by an 81-17 margin on February 2 with broad bipartisan support (see article on page 3).

On January 31, Florida District Judge Roger Vinson concluded that the individual mandate, the federal requirement to purchase government-prescribed health insurance, violates the Constitution. He further ruled that since the individual mandate is central to the law, it is not severable from the whole, and therefore the whole law is unconstitutional.

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What Does This Uncertainty Mean for Your Health Plan?

The Obama administration has publicly stated that the Florida Court’s ruling is wrong, will be appealed and will not delay implementation of PPACA. Since Judge Vinson’s ruling soon will be under appeal, and considering the uncertainty and risks of noncompliance, the ruling has not had any immediate impact on employers sponsoring health plans and their participants.

Physicians Care will continue to provide updates on PPACA requirements, from data aggregation services under the Early Retiree Reinsurance Program to technical support for changes in debit card rules (see article on page 2) to notifying you of major legislative updates.

As always, please feel free to contact us for more information on the Health Care Reform law or help with compliance issues facing your plan. You may also visit our Website at www.physicianscare.com to consult our comprehensive Health Care Reform compliance summary.
The IRS recently issued Notice 2011-5 to permit the use of debit cards to pay for prescribed over-the-counter (OTC) medicines under medical flexible spending arrangements (FSAs) and health reimbursement arrangements (HRAs). This notice modifies previous IRS guidance that would have barred the use of debit cards for OTC medicines.

As background, the Patient Protection and Affordable Care Act changed the definition of medical expenses that are eligible for reimbursement by FSAs and HRAs. Since December 31, 2010, OTC medicines no longer qualify as medical expenses unless they are insulin or are prescribed. On September 3, 2010, the IRS issued Notice 2010-59, which states that health FSA and HRA debit cards could not be used to purchase OTC medicines and drugs on and after January 16, 2011.

IRS Notice 2011-5 modifies the government’s earlier position and allows FSA and HRA debit cards to be used after January 15, 2011 to purchase prescribed OTC medicines if certain requirements are met. The purchases can be made by debit card and are considered fully substantiated at pharmacies and mail-order or Web-based vendors that sell prescription drugs if the participant presents a prescription for the OTC medicine and a prescription number is assigned. In other words, the procedure for purchasing OTC medications with debit cards should reflect the procedure that pharmacies currently follow when selling prescribed medicines.

New IRS Guidance on Using Debit Cards for OTC Medications

Americans Still Split on Health Care Reform

Even as we begin a new year, there are many who are unhappy with features of the Health Care Reform law that President Barack Obama signed into law in March of 2010. A recent poll shows that 40% of American adults want all or most of the law repealed, 30% are in favor of keeping the reforms, and 29% are still undecided.

Congress Blinks on Medicare Physician Fees

In voice votes held in early December, Congress delayed a Medicare cost-control measure that would have imposed a 25% cut in Medicare physician reimbursement rates in 2011. As a result, many private health insurers that base their rates on Medicare will continue paying physicians according to previous Medicare reimbursement schedules.

More Aggressive Prescription Cost Management

Even in a declining economy and while wading through health care
On February 2, the U.S. Senate voted to repeal Section 9006 of the Patient Protection and Affordable Care Act (PPACA). This provision would have expanded Form 1099 reporting to require business owners to include payments of $600 or more to corporations providing services or goods, starting in 2012. A bipartisan collection of business groups have opposed the provision, arguing that it would bury them in paperwork. Currently, Form 1099 reporting is not required unless services worth $600 or more are received from individuals or non-corporate entities.

The expanded Form 1099 reporting was singled out by President Obama in his State of the Union address as an expendable provision of the Health Care Reform law. It was included in the law because it would have raised about $19 billion in previously uncollected taxes over 10 years to help offset the cost of PPACA. The Senate voted 81-17 to eliminate the Form 1099 reporting requirement, with only Democrats voting against the measure. The amendment was proposed by Senator Debbie Stabenow (D-Michigan). The House has not yet considered that proposal.

The Senate voted several times last year on repealing the requirement, but all the attempts failed amid partisan bickering over how to pay for it. Republicans made an attempt to repeal the provision by taking money from the health reform law’s prevention and wellness fund. Democrats tried to repeal it without paying for it. The repeal would be paid for by requiring the Office of Management and Budget to find the funding in unspent but appropriated funds.

In greater Detroit and Indiana, Physicians Care offers convenient access to a number of partner PPOs. We can also offer access to providers across the country through our national network partner relationships.

More information on the Physicians Care Network, including a complete listing of participating providers, can be found at www.physicianscare.com.
How Common Are The Winter Blues?

Seasonal affective disorder, or SAD, is a recurring depression that impacts people during the cold winter months and then goes away during the spring and summer. It is estimated that 5% of the American population suffers from this disorder, better known as the “winter blues.”

The cause of SAD is unknown, but researchers say that an increased level of melatonin in the blood, which increases the need and desire for sleep, could be a factor. When there is less exposure to sunlight, our bodies produce more melatonin, making our biological clocks that regulate mood, sleep and hormones run a little slower. Symptoms vary, but can include low energy and fatigue, an inability to concentrate and increased irritability.

How to Cope

If an escape to a warm, sunny destination isn’t possible, experts suggest opening shades and blinds to increase the amount of light in your home; walking outside, especially on sunny days; and exercising regularly to relieve stress and anxiety, which are contributing factors.