



Maine Municipal Employees Health Trust

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To: Health Trust Participating Employers
From: Anne Wright, Director, MMEHT
Date: January 27, 2017
Re: What Happens If the ACA Is Repealed?

Good afternoon!

Today we would like to take a few moments to address some of the possible implications to the Health Trust, should the Affordable Care Act be repealed. As you are all most likely aware, there has been a great deal of discussion in Congress over the past several weeks with regard to the possible Repeal / Repeal and Replace / Repeal and Delay of the Affordable Care Act, or ACA. Our goal today is not to comment on these efforts, or on the possible outcome of these efforts, but rather to provide some reassurance to those individuals who are covered under the Maine Municipal Employees Health Trust health plan.

The ACA brought with it a number of mandates, and a number of changes to all health plans, including the Trust. Here is a short list of some of those changes:

- Children are allowed to remain on their parents' health plans until age 26, regardless of the child's marital or dependent status.
- Health plans may no longer impose a restriction on coverage for members with pre-existing conditions.
- There are no more lifetime maximums; in other words, health plan members' benefits cannot be cut off once they reach a certain threshold (for example, \$5 million).
- Preventive services, including certain prescription drugs related to prevention of illness, are covered at 100%, with no member cost share.

Of course, there are other changes, and some administrative requirements such as the ever-popular Form 1095-C reporting requirements for large employers. Our goal today is not to discuss those requirements, although you are welcome to contact me with questions regarding the Form 1095-C reporting. Today, we would like to address the concerns that some members have expressed regarding the effects of a possible ACA repeal on the Health Trust and its benefits.

First, it is important to stress that, although the Health Trust follows all relevant state and federal mandates with regard to health insurance benefits, we may at times provide benefits that are more generous than those mandated under state and federal regulations. So, for example, if the ACA's provision to allow children to remain on their parents' health plan were to be repealed, and federal law only required coverage for children to age 23, that does not automatically mean that the Health Trust would terminate coverage for children between the ages of 23 and 26. For one thing, Maine has for many years had a requirement to cover dependent children to age 25. The Health Trust complied with that requirement even before the ACA was enacted. Even if the ACA were to be repealed in its entirety,

as long as the state mandate to cover dependent children to age 25 remained in place, it is very unlikely that the Health Trust would change its policy.

And with regard to pre-existing conditions: Even before the ACA was passed, there were no pre-existing condition restrictions under the Health Trust health plans. Even if the ACA is repealed, the Health Trust has no plans to impose restrictions for coverage of pre-existing conditions under its health plans.

Before the Trust can make any changes to its benefit plans, such potential changes are thoroughly researched and reviewed, and recommendations are formulated by the Health Trust's staff and advisors. Any proposed change must be approved by the Health Trust's governing body, its Board of Trustees. The Board is very mindful of its fiduciary obligations to the members of the Health Trust. The Board (and Health Trust staff) have an obligation to act in the best interests of all Health Trust plan members.

As stated in the Health Trust's Mission Statement: *The mission of the Maine Municipal Employees Health Trust is to meet the needs of local government employees, retirees, dependents, and employer groups by providing cost-effective, quality employee benefit programs and superior services.* As such, the Trust will carefully consider any potential plan benefit changes, to ensure that they are in the best interests of plan participants, and strike an appropriate balance between benefits and costs.

This is not to say that plan benefits will never change. **As it has in the past, the Trust may change some of the benefits available under its health plans, in order to maintain an appropriate balance between costs and benefits.** Such changes will be made only after careful analysis, and after thorough communication to all Trust members.

At this time, the Trust has no plans to change its policies with regard to covering dependent children, covering pre-existing conditions, not imposing lifetime caps on benefits, and covering recommended preventive care at 100%. If any such changes were to be discussed in the future, please rest assured that the Health Trust Board will carefully consider the best interests of its participants. Any changes that are approved will be prospective only (in other words, they will not affect benefits already paid), and we would provide adequate notice before any changes become effective.

That's all for today - Have a great weekend!

Anne

Please note that the Maine Municipal Association and the Maine Municipal Employees Health Trust are sharing this information to assist you with your compliance planning. We recommend that you contact your legal counsel with specific questions relating to this law.