

Contact: Amanda Beck
(202) 789-8604
abeck@hrpolicy.org

FOR IMMEDIATE RELEASE
January 31, 2012

Large Employers Ask HHS to Provide Regulatory Guidance on Health Care Exchanges by July 1

As Major Deadlines Approach, the Lack of Progress, Clear Guidance on Future of American Health Care System a Major Concern for America's Largest Employers and Providers of Health Insurance Benefits

Washington, DC—HR Policy Association, representing the chief human resource officers of more than 330 of the largest private sector employers in the United States, sent a letter today to U.S. Health and Human Services (HHS) Secretary Kathleen Sebelius requesting that HHS provide final rules regarding the details of the state and federal exchanges by July 1, 2012, so that employers will have sufficient time to meet their obligations under the new health care law. The letter highlights a growing concern among the members of the Association about whether the impending deadlines regarding state and federal exchanges set forth in the Patient Protection and Affordable Care Act (PPACA) can realistically be met.

HR Policy President and CEO Jeffrey McGuinness said, “As key exchange related deadlines rapidly approach, including a March 2013 deadline by which employers must provide their employees with detailed information regarding these exchanges, we are concerned about the slow progress by the federal government and the States in establishing exchanges and providing the necessary regulatory guidance. It is critically important that HHS provide final rules on the establishment, operation, and reporting requirements regarding exchanges by July 1, 2012, so that employers have enough time to implement the necessary system changes to meet all of their exchange related notice and reporting requirements.”

HR Policy Association member companies collectively spend more than \$80 billion annually providing health insurance to millions of employees, their dependents, and retirees. And, as the senior human resource executive for their companies, HR Policy Association members play a lead role in health care strategy, design, and implementation.

The changes mandated by PPACA require significant administrative changes for these employers. Mr. McGuinness warned that significant variation among states in implementing exchanges such as adopting “different rules pertaining to data that must be submitted to each state by employers” and “broad variations in the definitions of essential health benefits” could “significantly drive up the administrative cost of employer-based plans, drawing valuable limited resources away from paying for patient care to cover the costs of these new administrative burdens.”

In the letter, Mr. McGuiness urged Secretary Sebelius to:

- Issue final rules on the operation and development of the state and federally supported exchanges as soon as possible but no later than July 1, 2012;
- Create a federal framework to promote maximum national uniformity of exchanges, including prohibiting states from imposing new requirements on ERISA plans, in order to minimize the administrative burdens and costs associated with state-specific rulemaking that will only serve to increase administrative costs and take dollars away from patient care and prevention and wellness initiatives in employer-sponsored plans; and
- Carefully consider and minimize the burden of any new federal rules that will be implemented that would also increase the administrative costs for large employer plans and limit their ability to innovate in areas such as wellness and health promotion.

Since passage of PPACA, the Association has worked with all interested parties to ensure that health reform will lead to a sustainable, high quality health care system providing coverage for all Americans while promoting job growth and employment security.

“Our goal is to strengthen and preserve the employer-based system of health care, while supporting health care reform that advances access to high quality, affordable coverage for all Americans,” said McGuiness.

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To view HR Policy Association’s letter, visit:

http://www.hrpolicy.org/downloads/2012/12-05_Letter_to_HHS_on_Exchanges.pdf

HR Policy Association is the lead organization representing chief human resource officers of major employers. The Association consists of more than 330 of the largest corporations doing business in the United States and globally, and these employers are represented in the organization by their most senior human resource executive. Collectively, their companies employ more than ten million employees in the United States, nearly nine percent of the private sector workforce, and 20 million employees worldwide. They have a combined market capitalization of more than \$7.5 trillion. These senior corporate officers participate in the Association because of their commitment to improving the direction of human resource policy. Their objective is to use the combined power of the membership to act as a positive influence to better public policy, the HR marketplace, and the human resource profession. For more information visit www.hrpolicy.org.