

Deciphering the Healthcare Law

Healthcare in the United States is changing rapidly, but the details, thus far, have been murky at best. The passage of the Patient Protection and Affordable Care Act, as well as the subsequent United States Supreme Court ruling in *National Federation of Independent Business v. Sebelius* have created more than their fair share of confusion. The Act itself is 2,409 pages, not including the additional 55 pages of the Healthcare and Education Reconciliation Act or the regulations that are currently open for comment.

Many of the provisions of the Act have already been rolled out, with some of the largest changes coming in 2014. Everyone, from individuals to businesses of all sizes, must adjust and prepare themselves. CMDA is ready to help you find your way through these changes.

A logical starting point to understanding the changing environment is to look at what has already happened. Many provisions of the Act have already been implemented in ways that likely affect your current health insurance coverage.

The following is a compilation of the significant changes that have already taken place:

- **Closing the Medicare Prescription Drug Gap** - In 2010, seniors with a Medicare prescription drug plan were eligible for a one-time \$250 rebate to cover prescription drug costs. This rebate was the first step in attempting to close the gap in Medicare prescription drug coverage. The gap will continue to close through 2020, with increasing discounts on brand-name prescriptions and increasing Medicare coverage for generic prescriptions.
- **Dependent Coverage** - Any plans beginning after Sep-

tember 23, 2010 that offer coverage for dependents, must cover dependents up through the age of 26. Until 2014, plans that already existed in September 2010 (grandfathered plans), do not have to provide coverage if the dependent is offered healthcare through their own employer. In 2014, that exception will no longer exist for grandfathered plans.

- **Preventative Services** - Certain preventative services must now be covered without a co-pay, co-insurance or deductible. These services include blood pressure screenings, diabetes screenings, vaccinations, mammograms for women over 40, autism screenings for children between 18 and 24 months, and many others. For a complete list, please visit www.healthcare.gov and search for "preventative services."
- **Small Business Tax Credit** - In 2010, small businesses became eligible for a tax credit based on a number of factors, including the number of full-time and part-time employees, the average wage per employee, and the amount the employer contributes towards the health coverage. Thus far, the credit has been difficult to calculate and only a small percentage of eligible businesses have claimed the credit. In 2014, the amount of the credit will increase and be limited to two years.
- **Pre-Existing Condition Health Plans** - Each state had the option to establish a health plan available to those with pre-existing conditions that had been uninsured for at least six months. If the state chose not to establish its own plan, the Department of Health and Human Services

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es established a plan in that state. Michigan created its own plan. Enrollment has just recently been suspended in all programs due to the high volume of enrollees and limited funds. In 2014, all plans will be required to provide coverage, regardless of an individual's pre-existing conditions, thus eliminating the need for these special plans.

- **Eliminating Coverage Limits** - Plans beginning after September 23, 2010, are no longer permitted to place dollar limits on coverage of "essential" benefits. Annual limits on most covered benefits are also being phased out through 2014, when they will be completely eliminated. There are, of course, exceptions for certain plans where eliminating annual limits would cause a significant decrease in coverage or a significant increase in premiums.

This list is not exhaustive and many other changes have also been implemented. Over the coming months, we will continue to explore various aspects of the changing healthcare environment and its impact on individuals and small businesses.

In next month's newsletter, we will take a closer look at the small business healthcare tax credit.

Kali Lester

Kali Lester, an attorney in our Livonia office, concentrates her practice on municipal law, utility law and appellate law. She can be reached at (734) 261-2400 or klester@cmda-law.com.

Attention Northern Michigan Municipalities

Please join CMDA attorneys as they share their knowledge on emerging issues in municipal law.



Thursday, June 27, 2013
9 a.m. - 4 p.m.
Treetops Resort
Gaylord, Michigan

A panel of CMDA attorneys will present on the following topics:

Open Meetings Act
Freedom of Information Act (FOIA)
EEOC and Employment Discrimination
Document Retention

This seminar is geared toward elected and appointed officials and employees of counties, cities, townships and villages, however all government officials and employees are welcome to attend.

Look for additional details in next month's newsletter.

To register, please contact Jennifer Sherman at (734) 261-2400 or jsherman@cmda-law.com.

COMMUNITY COLLEGE CORNER



Patrick R. Sturdy

It is that time of year for community college administrators to face the daunting task of making tenure determinations. By now, administrators should have a clear understanding of each candidate's credentials and prior experience and whether the candidate meets the criteria for tenure.

However, as a best practice, part of the decision making process should involve reviewing each candidate's personnel file, any performance reviews and any outcome information regarding the candidate's classroom performance and success. Administrators should also discuss

the decision and seek recommendations from department chairs, deans or any other assigned mentors. Furthermore, a review of relevant collective bargaining agreements would be appropriate. Additionally, administrators should consider prior tenure determinations to avoid variations from an established system.

While the above steps are not all-inclusive, they provide general guidance to ensure an administrator's decision can stand-up to scrutiny.

If you have any questions about what you have read or would like additional information, Mr. Sturdy can be reached at (734) 261-2400 or psturdy@cnda-law.com.

CMDA Happenings

[Attorney Presents to MCCRMA](#)

Linda Davis Friedland, an attorney in our Livonia office, was a co-presenter at the quarterly Board of Directors meeting of Michigan Community College Risk Management Authority (MCCRMA).

She, along with Ross Kadish from Associated Risk Management, Inc., with the assistance of Chief Steven Kaufman and Lt. Mark Engstrom of the Schoolcraft College Campus Security Police Department, gave an informative and useful presentation on the state of the law with respect to the open carry of firearms by students and visitors on college campuses.

For questions relating to this presentation, please contact Ms. Friedland at (734) 261-2400 or lfriedland@cnda-law.com.

[Firm Participates in MACP Conference](#)

Several attorneys from our Firm participated in the Michigan Association of Chiefs of Police (MACP) winter conference held in Grand Rapids, MI. The conference was attended by chiefs of police, sheriffs, 911 dispatch coordinators and various law enforcement-related officials.

Ethan Vinson, Haider Kazim, Allan Vander Laan and Andrew Brege enjoyed participating in this conference and having the opportunity to further enhance, and develop new, relationships with MACP members.

[CRAM Conference a Success](#)

Attorneys Haider Kazim and Andrew Brege participated in the County Road Association of Michigan (CRAM) Annual Highway Conference trade show in Lansing, MI. The conference was attended by managers, engineers, finance directors, superintendents and commissioners of County road agencies from across the state.

[Attorneys Present at Risk Management Workshop](#)

Eileen Husband and Ethan Vinson, both partners in our Livonia office, recently presented at MMRMA's 2013 Risk Management Workshop in Lansing, MI. Their presentation included a personnel manager panel discussion, as well as other human resources topics.

Ms. Husband is the head of the Firm's labor and employment practice group. Attorneys from the group frequently give presentations on a variety of human resources topics to municipalities and companies. If you are interested in a similar presentation, please contact Ms. Husband at (734) 261-2400 or ehusband@cnda-law.com.

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To meld our legal expertise, professional support staff, technical resources and variety of locations to deliver first rate legal services at a fair value to a full range of business, municipal, insurance and individual clients.

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