

'Pragmatic' Obamacare delay a victory for business lobby, expert says

July 8 2013, by Keith Brannon

The Obama administration's decision to delay a key healthcare reform provision requiring large employers to pay a penalty if they don't offer health insurance is a big victory for the business community, says attorney and Tulane healthcare policy expert Mollye Demosthenidy.

The change, announced on Tuesday (July 2), gives companies with more than 50 employees until 2015 to offer health insurance or face penalties of up to \$2,000 per employee. The rule, along with the individual mandate, is designed to spur near-universal healthcare coverage.

"The business community has been putting immense pressure on the Obama administration to delay the implementation of this and other pieces of [healthcare reform](#)," says Demosthenidy, a clinical assistant professor in the Department of Global Health Systems and Development at the Tulane University School of Public Health and Tropical Medicine.

"I also think the administration is pragmatic and recognizes that this is going to be complicated, and it's in their interest that the implementation go as smoothly as possible. So delaying it for a year to simplify the process and to educate employers is beneficial to them as well."

She thinks the additional year will give businesses more time to get familiar with the reporting requirements and to learn if they are eligible for tax credits "to ease that burden" in offering insurance.

While the change has made headlines, the requirement ultimately affects

only a small percentage of companies. Approximately 94 percent of employers with 50 to 199 employees currently offer health insurance as do 98 percent of employers with more than 200 employees, according to a recent report by the Kaiser Family Foundation.

The delay will not affect the individual mandate, which goes into effect in 2014. Health exchanges begin open enrollment in October, giving individuals their first glimpse of new options available under the reform plan, Demosthenidy says.

Provided by Tulane University

Citation: 'Pragmatic' Obamacare delay a victory for business lobby, expert says (2013, July 8) retrieved 20 April 2024 from <https://medicalxpress.com/news/2013-07-pragmatic-obamacare-victory-business-lobby.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.