

White House delays key element of health care law

July 3 2013, by Ricardo Alonso-Zaldivar



In this March 23, 2010 file photo, President Barack Obama signs the health care bill, in the East Room of the White House in Washington. President Barack Obama's health care law, hailed as his most significant legislative achievement, seems to be losing much of its sweep. On Tuesday, the administration unexpectedly announced a one-year delay, until after the 2014 elections, in a central requirement of the law that medium and large companies provide coverage for their workers or face fines. (AP Photo/J. Scott Applewhite, File)

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delay, until after the 2014 elections, in a central requirement of the law that medium and large companies provide coverage for their workers or face fines.

Separately, opposition in the states from Republican governors and legislators has steadily undermined a Medicaid expansion that had been expected to provide coverage to some 15 million low-income people.

Tuesday's move—which caught administration allies and adversaries by surprise—sacrificed timely implementation of Obama's signature legislation but might help Democrats politically by blunting an election-year line of attack Republicans were planning to use. The employer requirements are among the most complex parts of the [health care law](#), designed to expand coverage for uninsured Americans.

Business groups were jubilant. "A pleasant surprise," said Randy Johnson, [senior vice president](#) of the U.S. Chamber of Commerce. There was no inkling in advance of the administration's action, he said.

But the delay could also whittle away at the law's main goal of covering the nearly 50 million Americans without health insurance.



In this June 28, 2012 pool-file photo, President Barack Obama speaks in the East Room of the White House in Washington after the Supreme Court ruled on his health care legislation. President Barack Obama's health care law, hailed as his most significant legislative achievement, seems to be losing much of its sweep. On Tuesday, the administration unexpectedly announced a one-year delay, until after the 2014 elections, in a central requirement of the law that medium and large companies provide coverage for their workers or face fines. (AP Photo/Luke Sharrett/Pool-File)

Liberals immediately raised concerns. Will employees be able to get taxpayer-subsidized individual coverage through new health insurance markets if their company does not offer medical benefits? Uninsured people can start signing up Oct. 1 for the new individual policies.

Under the [health law](#), companies with 50 or more workers must provide affordable coverage to their full-time employees or risk a series of escalating [tax penalties](#) if just one worker ends up getting government-subsidized insurance. Originally, that requirement was supposed to take effect Jan. 1, 2014. It will now be delayed to 2015.

Most medium-sized and large business already offer health insurance and the mandate was expected to have the biggest consequences for major chain hotels, restaurants and retail stores that employ many low-wage workers. Some had threatened to cut workers' hours, and others said they were putting off hiring.

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