



## LEGAL Q&A

**Q** How will the recently passed Patient Protection and Affordable Care Act ("PPACA") affect the cost of our healthcare premiums going forward?

**A** The PPACA increases the obligations to provide benefits, under your policies, such as no annual limit on the benefit. The Administration projects premium increases of 1%. The insurance carriers project higher premium increases. The premium increases, which will include both the increases of the costs of healthcare benefits provided prior to the PPACA, plus the increased obligations will cause an increase greater than the increases that had been previously experienced. The past approaches taken by employers, such as increasing the deductible, the co-pay or the employee's share of the premium, if the employer intends to fall within the "grandfather" provisions of the PPACA, are severely limited by the new regulations. Prior to renewal, employers will need to discuss with their insurance brokers the details and discuss with their attorneys the impact of changes that they propose to make. This may adversely impact the ability to pay bonuses or provide raises.



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