

April 15, 2010

Health Reform Law Implementation Begins

Following the historic March 23 signing of the Patient Protection and Affordable Care Act, H.R. 3590, and a package of related amendments under the Health Care and Education Reconciliation Act, H.R. 4872, on March 30, the enormous effort of implementing comprehensive health reform has begun. Ropes & Gray is following this process every step of the way and will provide relevant implementation documents, along with more industry-specific analysis, through its [Health Reform Resource Center](#). Visit the Center frequently to stay apprised of the latest developments and opportunities.

The United States Department of Health and Human Services (HHS), the Internal Revenue Service (IRS), and other governmental agencies are already issuing guidance and seeking feedback from stakeholders on some key components of the health reform law. The following items, among others, were recently released as part of implementation:

- **Early Expansion of Medicaid** The Centers for Medicare and Medicaid Services (CMS) released guidance to state Medicaid directors and health officers relating to the optional early expansion of Medicaid, including the level of available federal funding, the deadline for submission of state plan amendments, and eligibility requirements for the populations to which coverage may be phased in.
- **Medical Loss Ratios** HHS and the Department of Labor together issued a request for comments, due May 14, 2010, on new medical loss ratio requirements, including the requirements for individual and group insurers to report on the percentage of premiums used to reimburse services for the improvement of health quality and to provide rebates to beneficiaries if such spending does not meet minimum standards.
- **Premium Review Process** HHS issued a request for comments, due May 14, 2010, regarding the premium review process created under health care reform, including the monitoring and review of rate increases by new state authorities.
- **High-Risk Pools** Secretary of HHS Kathleen Sebelius released a letter to governors and independent insurance commissioners requesting feedback, due April 30, 2010, on state interest in the temporary high-risk pool program.
- **Reinsurance for Early Retirees** HHS and the White House issued a fact sheet regarding the Early Retiree Reinsurance Program, including indications that application forms for the program will be available in June and are expected to be similar to those used in the Retiree Drug Subsidy Program.
- **Small-Employer Tax Credits** The IRS issued preliminary guidance about the small-employer tax credit available starting in 2010, including frequently asked questions about which employers are eligible for the credit, how the credit is calculated, how FTEs and annual wages are determined for purposes of the credit, how to claim the credit, and expected guidance on transition relief for tax years beginning in 2010 regarding expenses counted for calculating the credit.

Links to these materials, along with future requests for public comment, guidance, regulations, and analysis, will be available at Ropes & Gray's [Health Reform Resource Center](#) under "Implementing Health Reform" and the "Industry-Specific Analysis" section most relevant to you.

For specific guidance on the opportunities and challenges relating to health reform implementation, please contact your regular Ropes & Gray advisor.

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