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L.A. Health Insurance Brokers Disagree with Key Provisions of Leaked GOP Draft ACA Reform Bill

(Los Angeles, Ca) – The Los Angeles Association of Health Underwriters, a local chapter of the preeminent organization for health insurance professionals in the county, warned that Republicans in the House of Representatives are heading for an unworkable replacement for the Affordable Care Act. LAAHU President Dawn McFarland stated that “LAAHU members have spent their careers working to help employers and individuals obtain quality, affordable health insurance. There are key provisions in the [leaked discussion draft](#) of the House GOP’s ACA reform plan that could do more harm than good to America’s health care system.”

Among the concerns express by Ms. McFarland is that the draft proposal changes employer incentives to provide medical insurance to employees. Given the recent dramatic increases in the cost of employee benefits, employers report being at a fiscal tipping point. Reducing incentives to offer coverage could potentially cause some employers to stop providing health insurance to their workers.

LAAHU seeks to avoid this outcome as employers fund most health insurance costs for approximately 83% of Americans. To reduce this funding source would shift costs to working families, public insurance systems such as MediCal and Medicare, and health care providers like hospital trauma centers and community medical clinics.

The draft proposal calls for capping the amount of health insurance premiums employers can deduct from their taxes. LAAHU believes this equates to an unfair financial burden on employees, especially those already struggling with narrow margins. Based on LAAHU members’ experience, employers would likely shift the premium amount above the tax-deductible cap to their employees. High income workers could afford to go without coverage or pay the additional amount. Less compensated employees, however, would be more likely to drop coverage and rely on the health care safety net (community clinics and hospital emergency rooms) for care. The result is a weakened group health marketplace and a heavy financial burden on America’s middle class.

Another concern put forward by LAAHU is that, depending on when health care reform legislation is signed into law and the effective date of the changes, there may not be adequate time for Federal and State regulators, insurance companies, brokers and employers to prepare for the changes. This would dangerously disrupt the health insurance market. LAAHU is calling for a transition time that adequately enables all affected stakeholders to develop a certainty about the new requirements and provide sufficient time to meet them.

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Los Angeles Association of Health Underwriters members are licensed health insurance agents and other professionals. These independent agents and brokers provide reliable insurance advice, act as the consumers’ advocate when dealing with carriers and provide essential services relating to the individual and group insurance coverage before and after enrollment.

Members also act as a trusted and effective marketing and distribution channel for health insurance information for consumers.

To find a local agent for help, visit laahu.org. For more information, please call Dede Kennedy-Simington at 626.378.5656 or email dede@genesisfinancial.biz.