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Employee Free Choice Voucher Requirement Repealed

The employee free choice voucher provision that was part of last year's healthcare reform law has now been officially repealed. This is another significant piece of the healthcare law that has been repealed and represents a major change in the employer provisions of the law.

The employee free choice voucher provision was scheduled to take effect in 2014. The provision would have required employers to offer employees, whose premium contributions for their coverage was between 8% and 9.8% of their household income, the option to cash out the value of their health subsidy (based on plans their employers contribute to the most and adjusted for age) and buy exchange coverage. Had the free choice provision taken effect, there would have been an increase in adverse selection against employer plans if younger, healthier employees left the plans. Employer costs would have risen since eligible employees who had previously declined employer coverage would have had the opportunity to elect vouchers.

Employers are advised to continue to monitor health reform developments. Should you have questions about this or any aspect of federal health insurance reform, contact your Conner Strong account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong, visit our online [Resource Center](#).

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