



REFORM UPDATE

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AUTOMATIC ENROLLMENT REQUIREMENTS REPEALED

President Obama recently signed into law a two-year budget agreement, the Bipartisan Budget Act of 2015. This Act includes a health care-related section that repeals the automatic enrollment requirement that was part of the Affordable Care Act (ACA).

The ACA had required large employers with more than 200 full-time employees that offer job-based health insurance plans to automatically enroll their employees in a health insurance plan within three months of hiring. Employees had the right to decline coverage or to select alternate coverage options. Employees would have had to actively opt-out of coverage, as the default option would have been employer-sponsored coverage.

Automatic enrollment rules did not have an effective date. The effective date was to be set when initial regulations were published. Those regulations were never published.

Employers had been concerned about the burden automatic enrollment would place on administering their plans. They will welcome the repeal of this requirement.

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