

Surprise: New insurance fee in health overhaul law

RICARDO ALONSO-ZALDIVAR, Associated Press

WASHINGTON (AP) — Your medical plan is facing an unexpected expense, so you probably are, too. It's a new, \$63-per-head fee to cushion the cost of covering people with pre-existing conditions under President Barack Obama's health care overhaul.

The charge, buried in a recent regulation, works out to tens of millions of dollars for the largest companies, employers say. Most of that is likely to be passed on to workers.

Employee benefits lawyer Chantel Sheaks calls it a "sleepier issue" with significant financial consequences, particularly for large employers.

"Especially at a time when we are facing economic uncertainty, (companies will) be hit with a multi-million dollar assessment without getting anything back for it," said Sheaks, a principal at Buck Consultants, a Xerox subsidiary.

Based on figures provided in the regulation, employer and individual health plans covering an estimated 190 million Americans could owe the per-person fee.

The Obama administration says it is a temporary assessment levied for three years starting in 2014, designed to raise \$25 billion. It starts at \$63 and then declines.

Most of the money will go into a fund administered by the Health and Human Services Department. It will be used to cushion health insurance companies from the initial hard-to-predict costs of covering uninsured people with medical problems. Under the law, insurers will be forbidden from turning away the sick as of Jan. 1, 2014.

The program "is intended to help millions of Americans purchase affordable health insurance, reduce unreimbursed usage of hospital and other medical facilities by the uninsured and thereby lower medical expenses and premiums for all," the Obama administration says in the regulation. An accompanying media fact sheet issued Nov. 30 referred to "contributions" without detailing the total cost and scope of the program.

Of the total pot, \$5 billion will go directly to the U.S. Treasury, apparently to offset the cost of shoring up employer-sponsored coverage for early retirees.

The \$25 billion fee is part of a bigger package of taxes and fees to finance Obama's expansion of coverage to the uninsured. It all comes to about \$700 billion over 10 years, and includes

higher Medicare taxes effective this Jan. 1 on individuals making more than \$200,000 per year or couples making more than \$250,000. People above those threshold amounts also face an additional 3.8 percent tax on their investment income.

But the insurance fee had been overlooked as employers focused on other costs in the law, including fines for medium and large firms that don't provide coverage.

"This kind of came out of the blue and was a surprisingly large amount," said Gretchen Young, senior vice president for health policy at the ERISA Industry Committee, a group that represents large employers on benefits issues.

Word started getting out in the spring, said Young, but hard cost estimates surfaced only recently with the new regulation. It set the per capita rate at \$5.25 per month, which works out to \$63 a year.

America's Health Insurance Plans, the major industry trade group for health insurers, says the fund is an important program that will help stabilize the market and mitigate cost increases for consumers as the changes in Obama's law take effect.

But employers already offering coverage to their workers don't see why they have to pony up for the stabilization fund, which mainly helps the individual insurance market. The redistribution puts the biggest companies on the hook for tens of millions of dollars.

"It just adds on to everything else that is expected to increase health care costs," said economist Paul Fronstin of the nonprofit Employee Benefit Research Institute.

The fee will be assessed on all "major medical" insurance plans, including those provided by employers and those purchased individually by consumers. Large employers will owe the fee directly. That's because major companies usually pay upfront for most of the health care costs of their employees. It may not be apparent to workers, but the insurance company they deal with is basically an agent administering the plan for their employer.

The fee will total \$12 billion in 2014, \$8 billion in 2015 and \$5 billion in 2016. That means the per-head assessment would be smaller each year, around \$40 in 2015 instead of \$63.

It will phase out completely in 2017 — unless Congress, with lawmakers searching everywhere for revenue to reduce federal deficits — decides to extend it.

Obituaries



ANITA "CORKY" J. LEAVELLE 1940-2012

Anita "Corky" J. Leavelle, 72, of San Angelo passed away Saturday, December 8, 2012.

The family will receive friends at 11 a.m. Wednesday, December 12, 2012 at Calvary Baptist Church in Brownfield.

Graveside service will be 2 p.m. Wednesday December 12, 2012 at Terry County Memorial Cemetery with Brother Lee Bevy Jr., of Utopia Baptist Church, officiating. Arrangements are with Robert Massie Funeral Home.

Corky was born February 14, 1940 in Roaring Springs to Carroll Truett and Clara Allene (Shults) Peck.

She worked as a license vocational nurse. She worked for many years at Brownfield Regional Medical Center and was loved and respected by her patients and co-workers.

She married Verlan Leavelle on June 24, 1958 in Levelland, and they shared 41 years together until his death on September 13, 1999.

She is preceded in death by her husband, her parents and a brother, Carroll Peck Jr.

Survivors include sons, James Leavelle and wife, Glenda of San Angelo, Kenneth Leavelle and wife, Melissa of N. Charleston, S.C.; a daughter, Cynthia Bevy and husband, Lee of Utopia; a sister, Karen Joas and husband, Scott of Capitan, N.M.; three brothers; Russell Peck of Abilene, Monty Peck of Capitan, N.M. and Roger Peck and wife, Emma, of Levelland; grandchildren; Taylor and Mollie Leavelle of San Angelo, Andrew and wife, Vicki Bevy of Lubbock, Amy and husband, Kyle Roach of Ft. Worth, Jason Bevy of Sonora, Megan and husband, David Jacobs of Muskegon, Mich., and Esti Leavelle of N. Charleston, S.C. and a great-granddaughter, Kathryn Bevy of Lubbock.

The family wishes to thank the Meadow Creek nursing home staff for the loving care shown to Corky and our family.

In lieu of flowers, donations in Corky's memory may be made to the building funds at Utopia Baptist Church P.O. Box 240 Utopia, Texas 78884 or to the American Heart Association.

Corky's obituary and memorial guestbook may be viewed online at www.robertmassie.com.



TRICIA DIANE MOORE (1951-2012)

Tricia Diane Moore, formerly of Brownfield died Sunday, December 9 at her home in Tulsa, OK.

She was born January 15, 1951 in Brownfield to parents Erwin and Mary Ellen Moore.

She was a graduate of Brownfield High School and a member of First Baptist Church as a child.

She was an adventurous spirit and an outgoing, loving woman. She ran her own publishing business in Corpus Christi. She also rode on a modern-day Wagon Train from New Mexico to Montana helping troubled youth.

Tricia loved God, her children, her cats, even her "Veggies." She was a member of Tulsa Bible Church.

She is survived by her three sons and a daughter-in-law: Kevin Mills of Brownfield, Brandon Mills of Delaware and Aaron and Tammy Mills of Tyler; two grandchildren Harley and Sadie; Brothers Win Moore of California and Mark Moore of Lubbock; Nieces Kali Moore and Kristen Moore; Nephews Grady Moore and Jonathan Moore; Uncles and Aunts, Gordon and Betty Patton of Brownfield and L.G. and Lois Moore of Brownfield as well as many cousins.

A memorial service will be held Saturday, December 15 at 3:00 p.m. in the First Baptist Church small chapel. The family will receive visitors after the service in the activities room of First Baptist. Funeral service will be led by Dr. Carl Moman.

Briefs

ATTN UNION EXES - Retired first grade teacher, Mrs. Winnie Cox will celebrate her 90th birthday soon. If you would like to write a letter, send them to Martha Miller, 1311 East Warren, Brownfield, TX 79316 before December 23.

held from 2-7 p.m. Thursday, Dec. 20 in the lobby of First Christian Church. To schedule an appointment call 637-2737 or visit BloodHero.com.

Radio fans - If you are interested in joining an antique radio club, contact Stan Baker at 559-4679.

GED classes - Brownfield Independent School District offers GED classes from 5-8 p.m. Tuesdays and Thursdays at the middle school. For more information call 637-2591.

To register for daytime GED classes, contact Ginger Stuart at 637-4234 or visit Workforce Solutions, 1321 B Tahoka Rd. Classes meet from 8:15 a.m. to 1 p.m. Monday through Thursday.

Christmas in the Park - The Boys and Girls Club of Brownfield's Christmas in the Park fundraiser will be from 6-9 p.m. both Friday, Dec. 14 and Saturday, Dec. 15 in Coleman Park.

Parents and teachers - Submit children's "Dear Santa" letters to the *Brownfield News*, 409 W. Hill St., by Friday, Dec. 14.

Blood drive - A KLLL Country Christmas Blood Drive will be



EMIL DICK PERRY (1920-2012)

Memorial services for Emil Dick Perry, 91, of Brownfield, will be at 10 a.m. Wednesday, December 12, 2012 at the Brownfield Funeral Home Memorial Chapel with Bob Reynolds officiating.

Emil was born December 29, 1920 in Tye to R. B. and Bernice Perry. He graduated from Brownfield High School. He married Juanita Brooker on August 14, 1940 in Mangum, Okla. Emil served in the United States Army during World War II, where he received the Purple Heart.

Emil is preceded by his brother, Floyd Perry; three sisters, Beatrice North, Doris Cowan and Geneva Henson.

Emil is survived by his wife of 72 years, Juanita Perry of Brownfield; four sons, Richard Perry and wife, Pat, of Brownfield, Royce Perry and wife, Sharon, of Hobbs, N.M., Steve Perry and wife, Peggy, of Owasso, Okla., Don Perry and wife, Rita, of Silver City, N.M.; eight grandchildren; 16 great grandchildren; eight great-great grandchildren and a brother, Gerald Perry and wife, Cloe Marion, of Joshua.

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