

...Congress passes historic health care reform bill

(From Page 1)

now, most low-income adults without dependent children can't get into Medicaid.]

Existing employer-sponsored insurance plans will remain essentially the same, except that they will be required to extend dependent coverage to age 26.

Small employers with up to 100 employees will be able to purchase coverage for employees on separate state-level exchanges beginning in 2014. Starting immediately, small employers with up to 25 employees (and less than \$50,000 average wages) can get a tax credit for up to 35 percent of the employer's contribution to health insurance premiums, if the employer is paying at least half the cost; in 2014 and 2015, small businesses that buy employee coverage through the exchange

can get a tax credit for up to 50 percent of their contribution if they're paying at least 50 percent of the premium.

Starting 2014, large employers with more than 50 workers will pay a penalty (up to \$2,000 per employee) if at least one employee gets a subsidy on the exchange.

From 2010 through the end of 2013, employers that provide health insurance coverage to retirees over age 55 will be eligible to take part in a reinsurance program, which will reimburse them for 80 percent of retiree claims between \$15,000 and \$90,000.

Starting 2014, insurers will face restrictions on practices such as refusing to insure individuals with pre-existing conditions, terminating policies when individuals get sick, or imposing annual or lifetime limits on coverage.

Young adults will be allowed to stay on their parents' plans through age 26, but only if they are not offered health coverage at their place of work. At any given benefit level, premiums may vary by no more than 3-to-1 for age, and 1.5-to-1 for tobacco use.

New taxes and fees will be levied on insurance companies, pharmaceutical manufacturers, medical devices, indoor tanning salons, and capital gains income:

- The pharmaceutical manufacturing industry will pay annual fees, apportioned by market share, totaling \$2.5 billion in 2011, rising to \$4.1 billion in 2018, and then dropping to \$2.8 billion in 2019.

- The health insurance sector will pay annual fees, apportioned by market share, totaling \$8 billion in 2014, rising to \$14.3 billion in 2018, and increasing after that at the rate of premium growth. Non-profit insurers will pay at a lower rate.

- Starting 2013, a sales tax of 2.3 percent will be levied on medical devices.

- Starting July 1, 2010, a sales tax of 10 percent will be levied on indoor tanning services.

- For the first time, a 3.8 percent Medicare tax will be levied on capital gains income, not just wage income.

The law also limits the tax-deductibility of health insurance executive compensation — to \$500,000 per

individual, retroactive to tax year 2009.

Insurers will also pay an excise tax of 40 percent on the value of employer-sponsored health plans that exceeds \$10,200 for individual coverage and \$27,500 for family coverage.

The new law contains hundreds of other elements, including provisions for funding community health clinics, subsidizing the creation of non-profit

consumer-run health insurance co-ops, investing in medical research and training of health professionals, reducing the "donut hole" in Medicare's prescription drug coverage, reducing subsidies to the privatized Medicare Advantage program, and making numerous other changes to Medicare.

The full text of the law is available online at thomas.loc.gov.

Steelworkers in McMinnville give up raise to extend contract

McMINNVILLE — In what may be seen as a sign of the times, Steelworkers in McMinnville voted March 22 to give up a scheduled pay raise in order to extend their union contract by one year.

Joe Munger, president of United Steelworkers (USW) Local 8378, said it was the union's idea to go to management of Cascade Steel Rolling Mills with the proposal. The 3.5 percent raise was to take effect April 1, and the contract was scheduled to expire April 1, 2011.

Munger said the union has little expectation the economy will have recovered by then, and it would be a bad time to be bargaining a new contract: 120 members have been laid off since December 2008, and the plant's workforce is down to 280.

Cascade Steel Rolling Mills melts scrap metal to produce rebar and other products used in construction. If it's running, it means there's demand for construction materials. Munger pays attention to the construction market, and keeps an eye on housing starts, scrap and finished product prices to see if

there's hope on the horizon. Right now prospects continue to look pretty bleak.

Extending the contract to April 1, 2012, means members will have the security of employer-paid full-family health insurance, a defined benefit pension plan, and other union benefits at current levels. Wages at the plant average \$20 an hour.



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