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Another IRS Overreach on Employers

Some employers offer bare bones health plans without hospitalization. The IRS just proposed a rule requiring hospitalization coverage, but can they do that? They admit large employer plans “are not required to cover the essential health benefits” of Obamacare, but say not covering hospitalization “does not meet a universally accepted minimum standard of value.” That’s not a legal citation.

They also claim, “it is evident in the structure of and policy underlying the Affordable Care Act that the minimum value standard may be interpreted to require that employer-sponsored plans cover critical benefits.” That is also not a legal citation. Does the IRS actually have legal authority to make this rule?