



April 21, 2010 - **Health Care Reform Update**

AT&T, Verizon, and other large employers now believe the overall impacts of the Health Reform Law (Patient Protection and Affordable Care Act) could be beneficial, and are hopeful that some benefits of the new law will outweigh the costs. **What?**

Here's a recap – On March 23, 2010, the President signed the new Health Care Reform Act into law. The next day, on March 24, 2010, AT&T Inc. said they would take a \$1 billion non-cash accounting charge in the first quarter because of the health care overhaul and may cut benefits it offers to current and retired workers because the health care law will raise their expenses. Verizon, Caterpillar, and Deere & Co followed with similar announcements.

On March 26, 2010, a congressional committee immediately began an investigation of the impact of the new law on large employers. The committee sent letters to the CEO's of the four companies, and set a congressional hearing over these matters, asking AT&T (as well as the other corporations) to provide evidence to the Congress to support their claims.

The hearing, originally scheduled to take place today has been cancelled. **Why?**

Because AT&T and the other companies backtracked, saying that their costs may actually go down over the long-term. An April 14, 2010 congressional memo included the following statement from AT&T's Wayne Watts, Senior Executive Vice President and General Counsel:

"Should the structural reforms intended to reduce the costs of delivering healthcare under the PPACA ultimately prove successful over time, self-insured companies like AT&T would likely benefit from such reduced costs."

So, was AT&T telling lies or just spinning the truth on the true impact of Health Care reform?

Here's the story covered on the [Wall Street Journal Health Blog](#) from last week. If you want to read the actual April 14, 2010 congressional memorandum regarding the investigation, click [here](#). Enough said.

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