



Obamacare is Here . . . Are You Ready?

The Patient Protection and Affordable Care Act (PPACA aka Obamacare) has already gone into effect, and the most significant aspects of the legislation are quickly approaching. Even if you are a small group (50 or less full-time *equivalent* employees), there are elements of the legislation that are applicable to your plan. For example, small groups are required to provide Summary of Benefit Comparisons (SBCs) to employees. SBCs are a new requirement of the PPACA that requires that all health plans conform to a standardized format in outlining the plan benefits. This requirement is designed to make it easier for employees to read and understand their health plan benefits and prevent confusing and potentially deceptive placement of critical benefit information outlined on each respective insurance carrier's proprietary plan design matrix.

Additionally, employers are required in 2013 to notify their employees of how to access healthcare exchanges in their respective state. The deadline for this compulsory communication was originally scheduled for March 1, 2013, but was postponed until summer 2013 by the Department of Labor (DOL). Again, this is a requirement of all employers, regardless of company size and number of full-time employees. More details to follow regarding timing once the DOL has provided a specific deadline.

Of course, one of the more administratively burdensome provisions – that which requires employers to list the total annual cost of the employee healthcare on the W2, is also applicable to all employers regardless of size. If the employer distributed 250 or more W2s in the year 2012, compliance with this provision was required for the printing of 2012 W2s printed in 2013. However, for all others, including companies with fifty or less full-time equivalent employees, this requirement takes effect with 2013 premiums (reported in 2014 via W2).

Finally, if your company has more than fifty full-time equivalent employees, you need to know that 2014 is when penalties (taxes) are assessed to employers who have employees that use a healthcare exchange and receive premium credits (subsidy) from the federal government. Please keep in mind that "full-time equivalent" employees are not necessarily "full-time" (30 hour minimum under PPACA). Satisfaction of the "more than fifty employees" may also include part-time employees as a pro rata portion of a full-time employee. The formula for determining the pro rata share is based on the average hours worked by the part-time employee.

As the employer, it is your responsibility to make sure that you are in compliance PPACA, as you must be compliant with ERISA, COBRA and FMLA. Unlike state regulations, which usually fall on the insurance carriers, federal legislation requires compliance and places the ultimate responsibility for such compliance on the employer. The federal government will definitely use the penalties and fines associated with non-compliance to fund the PPACA programs and exchange credits, so all employers should make all appropriate plans to implement a protocol that brings his or her company in compliance. Adhering to all provisions of PPACA will keep your company "off the radar" and considerably reduce the chances of an employee benefits audit by the DOL.

The Glocal Insurance Employee Benefits and HR Consulting professionals can help your HR staff with understanding the scope of the PPACA legislation and the timelines associated with the various phases. Please contact us to obtain further details regarding the legislation and compliance matters related to this history-making law.