

CHANGES IN EMPLOYER WAITING PERIODS & HEALTHCARE CONTRIBUTIONS

Business owners and employees continue to be frustrated with all of the recent changes to health care. Even the most ardent supporters of the new health care act have been forced to admit that the reality of implementation doesn't match the vision of affordable healthcare for all.

STREAMLINE CXO offers you a "Reader's Digest" version of some of the changes.

- In Alabama, healthcare providers may **no longer provide tier pricing for all employee groups**. While they may still provide a single rate for Individuals (all employees selecting Single coverage pay the same rate), rates for all other groups must be member rated. This means two unrelated employees choosing the Employee + Spouse or Family coverage level will each pay a different amount. The difference would be based on the age and sex of the enrollees. This change alone is causing considerable concern among employers since they must decide if it is appropriate for different employees to pay different rates for the same level of coverage.
- Employers may **no longer delay** employee enrollment **beyond 90 calendar days**. This means employers who enroll employees on the first of the month after 90 days must change their rule effective with their plan renewal date, but no later than July 1st. Options would be to offer enrollment on or before 90 days from the date of hire, or enrollment on the first of the month after 60 days of employment.
- For small employers (**under 50** employees), the required healthcare exchanges or SHOP plans, have been delayed until at least 2015 leaving everyone still unsure of what to expect.
- The Employer Mandate for employers with **50 or more** employees has been delayed until 2016. (this mandate requires employers to provide a healthcare plan or pay a fine)
- In spite of all of the changes and delays implemented for special interest groups, individuals (and families) who fail to enroll in a Marketplace healthcare plan by **March 31st** **will be subject to a financial penalty**.
- **The Healthcare.gov website** started with a near catastrophic initial rollout but is now accepting and processing enrollments. The downside is that the system is still providing inaccurate information to healthcare providers. The system also has serious security issues and is making improper eligibility determinations. Tax credit calculations are "best guess" and the government will have to absorb any losses associated with future tax adjustments.

- **Administration enrollment goals have not been met.** To date, just over four million people have “enrolled” in individual healthcare plans. This is significantly below the administration target of seven million. There is also legitimate concern regarding the demographics of the risk pool since only 25% of the enrollees are in the critical age 18 – 34 bracket. This number needs to be closer to 40% of the pool in order for actuarial cost projections to work.

Of course, to no one’s surprise, the Administration enacted a rule exempting members of Congress and their staffs from required participation in the Affordable Care Act.

While this list is certainly not all-inclusive (there have been a total of 27 delays announced to date), it should provide you with a general overview of some of the key issues of importance to employers.

STREAMLINE CXO is responsible for providing the essential support our clients need to ensure their compliance with IRS and DOL laws and regulations.

Our goal is to deliver a preventive approach to employment situations and ensure these approaches are managed appropriately. If you have questions about our services, or CHANGES IN EMPLOYER WAITING PERIODS & HEALTHCARE CONTRIBUTIONS, please contact us.