

IAA Legislative Ledger



Q-1 2014
February 12, 2014

More ACA Implementation Extension

Good News Cloaked Within the Uncertainty of ACA's Future!

Most employers won't face a fine next year if they fail to offer workers health insurance, the Obama administration said Monday, in the latest big delay of the health-law rollout. Employers with 50 to 99 full-time workers won't have to comply with the law's requirement to provide health insurance or pay a fee until 2016. The first delay, (2015) was made last year.

Employers with 100 or more employees could avoid penalties if they offer health insurance to at least 70% of the full-time coverage. There are certain nuances related to this extension. Most of you know the penalty is \$2,000 per Full-Time employee.

"Rumor has it..." I am hearing reports that there is a push to change the ACA "full-time" from 30 hours to 40 hours.

Why did the extension occur?

Popular opinions suggest businesses are complaining to their Congressmen across the country. They can't afford the new level of benefits or fines. The larger employers, in preparation of the added cost, have begun layoffs and/or reduced employee hours below 30/week. The 2014 mid-term elections are approaching very quickly. Re-elections are difficult for congressmen in districts with significant layoffs.

Unintentionally, The ACA Could Impact Other Employer Cost.

Recently, the Congressional Budget Office (CBO) predicted several million people would leave employment, tempted by subsidies, to not be employed. Many have already disappeared from the "unemployed" statistics, because they are deemed to no longer be looking for employment. (Some just retired) As employers cut or limit employees to 30 hours and drop coverage, there will be millions more. It is not that people don't want to work; it is just economics. For many workers, their net take-home salary is the same or less than their expenses for day-care, commuting, lunches, wardrobe, etc. Health coverage was their true value in working. If they stop working, their income goes way down, they get subsidies for Exchanges, and there are also assistance options to help pay their co-pay and deductibles...while daycare, commuting, etc. costs disappear. Therefore, they are financially better off to not work. I suspect the "under-the-table" cash jobs will continue to flourish.

Supply and Demand is far reaching: With fewer people looking for work, employers will be competing for workers. Consequently, employee hourly rate and salaries will be pushed higher.

Enjoy the rest of your day and stay healthy!

*Thank you,
Paul Kelly, President*

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Provisional Delays to the <i>Affordable Care Act</i> Implementation (as of 2/11/14)			
Provision Delayed	Delay Announced	Original Effective Date	Delayed Effective Date
Rules governing and implementation of the Medicaid-like Basic Health Program (BHP) delayed	2/8/2013	1/1/2014	1/1/2015
Out-of-pocket dollar maximums for consumers delayed	2/2013	1/1/2014	1/1/2015
SHOP exchange delays plan options, limiting businesses to one available plan for 2014	4/1/2013	1/1/2014	1/1/2015
Employer mandate penalty delay for not offering qualified coverage	7/2/2013	1/1/2014	1/1/2015
Launching of federal SHOP exchange delayed one month	9/26/2013	10/1/2013	11/31/2013
Individuals granted application grace period for open enrollment	10/23/2013	2/15/2014	3/31/2014
Insurers allowed to temporarily reinstate cancelled plans not meeting ACA standards	11/14/2013	1/1/2014	1/1/2015
Individual application grace period for coverage beginning January 1, 2014	11/22/2013	12/15/2013	12/23/2013
Beginning of 2014 open enrollment season delayed	11/22/2013	10/15/2014	11/15/2014
Launching of online federal SHOP exchange delayed for second time	11/27/13	11/31/2013*	11/2014
Administration urges insurers to allow additional time for consumers to pay first month premiums	12/12/2013	12/31/2013	1/10/2014
State preexisting condition risk pool program (PCIP) phase out delayed	12/12/2013	12/31/2013	1/31/2014
Individuals with cancelled policies allowed to purchase catastrophic coverage, avoid penalties for 2014	12/19/2013	1/1/2014	1/1/2015
Individual application grace period for coverage beginning January 1, 2014 extended for one day	12/23/2013	12/23/2013*	12/24/2014
Individuals demonstrating enrollment difficulties for coverage beginning January 1, 2014 eligible for "special enrollment period" of unspecified length	12/24/2013	12/24/2013*	---
State preexisting condition risk pool program (PCIP) phase out delayed for second time	1/14/2014	1/31/2014*	3/31/2014
Employer mandate penalty for not offering qualified coverage partially delayed for second time	2/10/2014	1/1/2015*	1/1/2016

*Indicates previously revised date.

Above chart provided by the NAIFA