

Ready or Not Employers Must Meet Affordable Healthcare Act Deadlines

By Holly Culhane, Contributing Columnist



For Americans, particularly employers, it's like sitting in the crowd at a long, tedious prize fight. No big knockouts; rather we suspect the fight eventually will be called on points, maybe after the 12th round.

Round 1: Ferocious battle in Congress to block President Obama's Affordable Care Act. Ding: Bell rings in March 2010, act passes and the president signs ACA into law. **Round 2:** ACA challenged before the U.S. Supreme Court. Ding: Last summer, the court rules that most of the act, particularly the insurance mandate, is constitutional. **Round 3:** Republican Gov. Mitt Romney runs for president promising to repeal and replace ACA if elected.

President Obama stands firm. Ding: Romney loses on Nov. 7. Implementation of ACA continues to move forward.

There are many more rounds left to be fought as the years-long rollout of the ACA continues. Already we are seeing 16 Republican governors refusing to establish the required health insurance "exchanges" in their states. These exchanges will match the uninsured with plans that meet their needs and reflect their eligibility for government help. That means the federal government will have to establish the exchanges – a daunting task, since each state's eligibility standards and private insurance markets are different.

Numerous federal rules still must be developed and eligibility systems established. And then there's the "fiscal cliff," the two-word code for the current congressional rancor over lowering the nation's debt, cutting spending and raising revenues. Will federal funding for ACA's implementation slide over the cliff?

Some of our clients are well ahead of the compliance curve; while others have delayed, hoping for either a legal or political reprieve. I warn business owners and managers not to delay. A seminar conducted by P.A.S. Associates on Friday, from 8 a.m. to 9:30 a.m., is designed to help local employers focus their compliance actions. Email michelle@PASassociates.com or call 631-2165 for availability.

The act is complex. Some aspects, such as the inclusion of adult children in health insurance programs and the requirement to cover people with "pre-existing conditions" already have been implemented. Other aspects will be implemented over the next five years.

Just a few highlights of the several milestones that loom in the next two years:

2013

-- Starting in January, the maximum employee contribution to a health care flexible spending account rolls back to \$2,500, from \$5,000.

-- In March, employers must inform workers about the status of their state's health care exchange and their eligibility for federal subsidies if the company's plan is found to be "unaffordable" under the law.

2014

-- Employers with more than 50 employees must offer an affordable health plan or face penalties of up to \$2,000 per employee. The first 30 workers are excluded from the penalty assessment.

-- Large employers must offer coverage that is defined as affordable and that meets the minimum value standards or face a penalty.

Despite the uncertainties that exist and some employers' hopes that the ACA will go away, companies must take steps now to meet milestone deadlines. To delay could expose organizations to penalties and financial problems.

This article written by Holly Culhane first appeared online and in The Bakersfield Californian on Tuesday, December 5, 2012. Holly Culhane is president of the Bakersfield-based human resources consulting firm P.A.S. Associates. She can be contacted through her website www.pasassociates.com and through the [PAS Facebook](#) page or by phone at 631-2165.

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