



# The Affordable Care Act (ACA) Shared Responsibility Mandate



# Shared Responsibility Mandate

- If employer offers healthcare coverage, then
  - Must be offered to essentially all full-time employees
  - Must be Affordable
  - Must meet Minimum Value Standards
  - Required to track time of employees not offered health insurance to determine eligibility for health coverage



# Coverage

- Defined as:
  - 95% of full-time employees
  - Full-time is defined as average of 30+ hours per week
  - Includes employee's children to age 26
  - Spouses or domestic partners not required
  - Must have the opportunity to enroll at least once per year



# Affordability

- Affordable coverage is coverage that is 9.5% or less of household income
- Federal government offered 3 - Safe Harbors to employers
- USG is using the Federal Poverty Line Safe Harbor: Must offer coverage with an employee premium that is 9.5% or below the Federal Poverty level
  - 2014 Federal Poverty level is \$11,680;
  - 9.5% of \$11,680 is \$1,110 or a monthly premium of \$92
  - USG High Deductible Health Plan 2014 monthly premium is \$47
- Under Safe Harbor, employee is not eligible for subsidy in the exchange market and USG would not be subject to penalties



# Minimum Value

- 60% minimum plan value based on ACA rules definition of “essential health benefits”
- Healthcare Plan’s actuary has confirmed all USG 2014 Healthcare plans meet Minimum Value coverage as defined by ACA



# Penalties for not meeting Shared Responsibility requirements

- If USG doesn't meet coverage requirements:
  - \$2,000 times total number of FTEs
- If don't meet affordability requirements:
  - Up to \$3,000 annually for each FTE receiving income based assistance for health insurance exchange coverage
- Each USG institution is accountable and responsible for achieving and maintaining compliance with the requirements under the Affordable Care Act
- Each USG institution will be held financial accountable for non-compliance



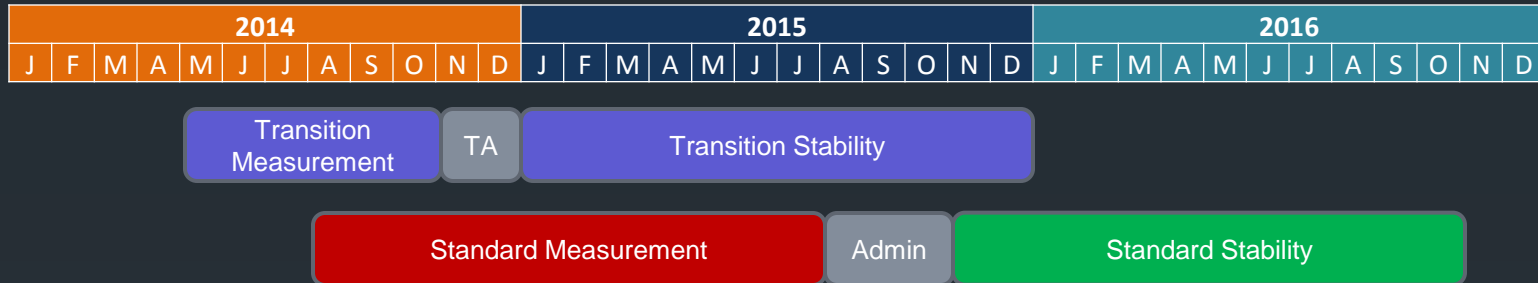
# Tracking Time Worked Federal Guidelines

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- Safe Harbor Tracking Method – to determine health benefits eligibility for non healthcare eligible employees
  - Look-back or measurement period (3-12 months) – period in which non healthcare eligible employees time worked is measured to determine if they worked an average of 30 or more hours
  - After the measurement period, employers have the option to have an administrative period (up to 90 days); this period is used to determine eligibility and facilitate enrollment of any employees who met eligibility
  - Stability period – period during which employees who met eligibility may elect to participate in the healthcare plan (6-12 months)
- Hours worked for faculty must be calculated based on the academic year to determine eligibility unless they work during the summer
- USG will establish standard tracking periods will be used across all institutions



# Example Tracking Periods



- Transition Tracking Periods
  - Measurement: Staff: May 1 – October 31, 2014; Faculty: August 1 – October 31, 2014
  - Transition Administrative Period: November 1 – December 31, 2014
  - Transition Stability Period: January 1 – December 31, 2015
- Standard Tracking Periods
  - Measurement: August 1<sup>st</sup> – July 31<sup>st</sup>
  - Administrative: August 1<sup>st</sup> – October 31<sup>st</sup>
  - Stability: November 1<sup>st</sup> – October 31<sup>st</sup>





# Reporting

- Employers are required to report their employer provided health coverage data to the Federal Government



# Final Guidance Released February 10, 2014

- Provided guidance in regards to counting hours for Adjunct (Part-Time) faculty (1.25 hours of service per week for each hour spent in the classroom for prep and grading + additional time (i.e. 1 hour) for services performed such as office hours or faculty meetings)
- Student employees are not exempt from the law
- Break-in-service for educational organizations remains at 26 weeks
- 2015 Transition Tracking Period Provisions
  - Allows a transitional tracking period of 6 months
  - First Stability period must begin 1/1/15



# Action Taken

1. Revised the USG Employee Category Policy and the definitions of employment and employee types
2. Developed a method for crediting hours worked for part-time faculty in place of tracking hours worked



# Next Steps - Committee

- Communicating policy system-wide via workshops
- Continuing to work on establishing administrative procedures for maintaining compliance, i.e. tracking periods and audit reports
- Provide templates and resources to institutions to help with implementation of new policy at the campus level
- Continue to track implementation efforts and any indication that assumptions are incorrect



# Next Steps - Institutions

- New policy goes into effect May 2014
- Holistically evaluate workforce
- Communicate changes to supervisors and hiring managers
- Written communication to part-time faculty
- Some exempt employees, like faculty, who were not required to track time will now be required to track time worked
- Institutions will need to use tracking periods and audit reports to ensure compliance with the law and to avoid fees and penalties