IMPACTS OF THE AFFORDABLE CARE ACT ON PCC

December 5, 2013
ACA Basics

Employers must provide:

• Coverage that meets minimum coverage standards
• Affordable healthcare coverage
• Coverage to full-time employees; defined as regularly working 30 hours or more per week (.75 FTE)

Employer mandates delayed until 2015
ACA Basics

• PCC currently meets most of the ACA requirements
  • All Oregon Educator’s Benefit Board (OEBB) programs meet the minimum coverage standard
  • PCC’s benefits program exceeds the affordability provisions of the ACA
  • PCC provides health care coverage to full and part-time employees, exceeding the ACA requirements
ACA Gaps

PCC employs variable hour workers that may qualify for health benefits under the ACA:

- Student workers who work more than 30 hours per week on a regular basis
- Casual employees that hold multiple casual positions
- Part-time faculty who also hold other positions

PCC must regularly review hours worked for variable hour employees
ACA Review Process & Timeline

• Look Back Period - PCC must review variable hour employees on a regular basis to determine eligibility

• Administrative Period - After determining eligibility, PCC has up to 90 days to notify employees of eligibility and provide coverage to those who elect it

• Go Forward Period – The time the employee is eligible for benefits; equal to or greater than the look back period
ACA Penalties for Non-Compliance

Penalty A:
- If a large employer does not offer coverage to at least 95% of full-time employees and their dependent children; and
- One full-time employee goes to the exchange and receives a subsidy
- The penalty is $2,000 times the number of full-time employees (minus the first 30 workers)

Penalty B:
- If a large employer does offer coverage to at least 95% of full-time employees and their dependent children; and
- One full-time employee goes to the exchange and receives a subsidy
- The penalty is $3,000 per employee who receives a subsidy
PCC Compliance

• PCC currently offers affordable coverage to at least 95% of ACA eligible employees
• PCC is designing and will implement a review process to catch any variable hour employees that may qualify in the future
Compliance Recommendations

• Student employees
  • Quarterly review of hours worked by student employees
  • Annual review to determine ACA benefits eligibility

• Casual Employees
  • Quarterly review of hours worked by casual employees
  • Annual review to determine ACA benefits eligibility

• PT Faculty
  • Annual review of faculty load
  • Review of PT Faculty for other Casual positions
    • Annual, or more frequent, review of combined work load to determine ACA benefits eligibility
Compliance Review

• ACA regulations are very complex
• Additional guidance expected from the IRS and Department of Labor
• Additional expert review to ensure compliance
Questions?