

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?