The Patient Protection and Affordable Care Act (“ACA”): Now What?

Kristin Nealey Meier

The Supreme Court Ruled…
The Supreme Court Ruled… (cont.)

EITHER
IT WILL
CURE YOU
OR IT WILL
KILL ME

The Supreme Court Ruled… (cont.)
What Happens in 2014?

- Individual mandate
- Assistance for low-income
- Employers: provide coverage or penalty
- State Exchanges

What are the Employer Requirements?

1. Offer Coverage or Pay Fine – “Pay or Play”
2. Minimum Essential Health Benefits Package
“Pay or Play”

If you employed less than 50 full-time (or equivalent) employees, no fine.
- Can offer coverage
- Can send to exchanges

“Pay or Play” (cont.)

If you employed an average of 50 full-time (or equivalent), non-seasonal employees, must offer health coverage that covers at least 60% of costs and meets.

“MINIMUM ESSENTIAL COVERAGE REQUIREMENTS”
OR
PAY A FINE
$$$$$$*
$2000/full time employee after first 30.
“Pay or Play” (cont.)

For example, if you have 50 employees, don’t offer coverage, you pay $2000 x (50-30) = $40,000

*If at least one of your employees receives a tax credit for health insurance

“Pay or Play” (cont.)

If you employed an average of 50 full-time (or equivalent), non-seasonal employees and offer health coverage that meets

“MINIMUM ESSENTIAL COVERAGE REQUIREMENTS”
AND
One employee accesses a tax subsidy or cost-reduction benefit for health insurance,
YOU
PAY A FINE
$$$$$$*
$3000/full time employee who accesses subsidy/cost/benefit.
What are Minimum Essential Health Benefits?

Coverage under any of the following:

- Certain government programs (i.e. Medicare, Medicaid);
- Coverage under an employer-sponsored plan;
- Plans in the individual market within a State;
- Grandfathered health plan coverage; or
- Other coverage recognized by HHS.

NOT Minimum Essential Health Benefits If You Only Offer:

- Accident, or disability income insurance;
- Coverage issued as supplement to liability insurance;
- Liability Insurance, including general liability insurance and automobile liability insurance;
- Workers’ compensation or equivalent;
- Automobile medical payment insurance;
- Credit-only insurance;
- Coverage for on-site medical clinics; and
- Other similar insurance coverage, specified in regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.
From the website:

- As part of national health reform, Washington State will soon have an easily accessible, central marketplace for individuals, families and small businesses to buy health insurance. This online one-stop-shop will be called a Health Benefit Exchange.
Washington State Exchange (cont.)

- Through the Exchange, Washingtonians will be able to:
  - Make apples-to-apples comparisons between health plans that meet national and state standards
  - Check qualifications for tax credits or cheaper co-pays and deductibles
  - Get help choosing and enrolling in a health plan that:
    • Fits your personal health needs
    • Has your choice of doctors

Washington State Exchange (cont.)

- Is on pace to establish the exchange by fall 2013
- Has conducted analysis and chosen the benchmark plans around which to form the exchange:
Will the ACA survive?

- 2012 Election

Will the ACA survive? (cont.)
What about in Washington?

Both Inslee and McKenna want to rein in healthcare costs
- McKenna wants to promote health savings accounts and managed care HMOs like Group Health
- Inslee wants to promote preventive care and managing chronic conditions
- McKenna supports the new state Health Benefit Exchange
- Presumably Inslee also supports the new state Health Benefit Exchange because he supports the ACA in its entirety
Resources

(Links provided on your USB key, or online at www.ryanswansonlaw.com)

- Washington State Exchange, including policy briefs
- Department of Labor
- National Association of Insurance Commissioners
- U.S. Chamber of Commerce
- Small Business Majority
- National Business Group on Health
- U.S. Small Business Association

Questions?

Kristin Nealey Meier
Ryan, Swanson & Cleveland
kmeier@rylanlaw.com
(206) 654-2293