

From: Goins, Rebecca A
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To: HR Newsletter Distribution
Subject: Affordable Care Act impact on our health plan

To: Departmental HR Colleagues

Have you wondered how our UAMS employee health plan is affected by the Affordable Care Act? Below are some highlights. I'll share additional information with you, and globally with all employees, as we work out the details.

The government has delayed the "play or pay" penalty for employers who don't offer health insurance to their workers.

This was to take effect January 2014, now delayed to 2015. Of course UAMS already offers health insurance, so we will continue to "play." Other employers who don't offer health insurance have an extra year to comply.

Here's the basic rule. Starting in 2015, employers with 50+ workers must offer health insurance to those working 30 or more hours a week, else pay a very significant penalty. UA rules are already more generous (or stringent, depending on how you look at it) than this. Per UA policy, our employees working half-time or more are eligible for benefits. We define "half-time or more" as working 20+ hours a week in a regular position, 50% time, or working over 1,000 hours in a year. Therefore, by complying with UA policy, we will automatically be in compliance with federal guidelines.

We will continue to audit temporary and other no-benefit employees on a regular basis to ensure we are in compliance.

I will contact you if your temp or other no-benefit employee appears to be working excess hours. Remedies include (1) an immediate reduction in hours, (2) termination, or (3) transfer to a regular, benefits-eligible position.

My tip for you is to keep a close eye on the hours worked by your temp employees.

1. If they work 19 hours or less per week, great. If they occasionally work over 20 hours a week, their hours in a subsequent week must be reduced so that their average is kept under 20 hours.
2. Perhaps your temp employee was hired to work for a short period of time, defined as less than 6 months. In that case it's okay for them to work 40 hours a week. But their employment can't go beyond 6 months.
3. Another way to track this is to make sure they don't work more than 1,000 hours in any 12-month period.

The requirement for all individuals to have health coverage has NOT been delayed.

Everyone is required to have health insurance - through some source but not necessarily their employer - starting January 1, 2014. Open enrollment for insurance available on the "Marketplace" (formerly called "Exchange") starts in October. Yes, just two months away. Financial assistance from the government, called a "Subsidy," will be available for those who qualify. The subsidy is paid to the insurance company providing the coverage, not to the individual. Some may be eligible for a tax credit to help pay for some or all of the cost of coverage in plans offered through the Marketplace. And some may qualify (or continue to qualify) for Medicaid.

The Marketplace is a "one-stop-shop" for insurance and subsidy options. You'll find more information on the national website www.healthcare.gov, or the Arkansas website www.arhealthconnector.org.

How does this impact UAMS employees?

UAMS has about 10,900 employees on payroll. Of these:

- 8,900 are already enrolled in our health plan and won't have to do anything else.
- 1,000 are not eligible to enroll in our plan because they are temp or work less than half-time. If they don't already have coverage elsewhere, they will need to look for coverage on the Marketplace. They may or may not be eligible for a subsidy through the government.
- The other 1,000 are eligible to be in our health plan, but are not enrolled. They either have other coverage (perhaps through their spouse, the VA, or through Medicaid), or have no coverage at all.
 - Those with other coverage may keep that coverage, or switch to the UA health plan when we have open enrollment. Yes, we will be having an open enrollment this year. It will start mid-November, for coverage to start 1-1-2014.
 - Those who are currently uninsured but are eligible to enroll in our health plan, may enroll in our plan during open enrollment. If they instead look for coverage on the Marketplace, they will not be eligible for a government subsidy because:
 1. The University offers them coverage.
 2. Our health plan meets all coverage mandates, such as: no exclusion for pre-existing conditions; free preventive and wellness services; no lifetime benefit maximum; and children covered until age 26.
 3. Our health plan meets the affordability test.

UAMS and other employers must send written notices to all employees by early October.

This notice will tell them about their current UA health coverage (if they're enrolled in our plan), their options to enroll in the UA health plan (if they're not enrolled), and their options for other coverage in the Marketplace. All new hires must also receive a notice. I'll share these notices with you at a later date.

Becky Goins | Senior HR Director for Benefits and Employee Support Services
UAMS Office of Human Resources
Phone: (501) 686-6552 | Fax: (501) 686-5386

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Or contact HR Employee Services at (501) 686-5650 or askhr@uams.edu.