



**Affordable Care Act (ACA) 2014 Compliance Plan Webinar Series
Session #3**

ACA Costs for Dependents

Presenter:

Si Nahra, Ph.D., President

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Pioneering Specialists in Group Health Care

Post-Payment Administration

For Over 25 Years

Customer Philosophy:

Respect for Existing Procedures

Emphasis on Customization

Focus on Solutions

FOCUS

Non-grandfathered, calendar year plans.

Comply not just because you have to.
Comply in a way that helps your plan.

Quick Review

What you should have done.

- Reporting to employees
 - W-2 plan values
 - Summary of Benefits and Coverage (SBC)
 - Exchange Notices
- Benefits
 - Selected Essential Health Benefits
 - No cost sharing for federal preventive care benefits
 - No pre-existing conditions
 - No lifetime maximums
 - Dependents covered until 26
 - Clinical trial coverage
- Safe Harbors
 - Minimum Value Safe Harbor
 - Affordability Safe Harbor
- New Out-of-Pocket rules implemented

ACA Compliance

Self-Assessment Tool

available now.

Call 734-451-2230
Ask for Leslie.

E-mail

leslie@healthdecisions.com

Two New Taxes Based on “Bellybutton” Counts Each Individual Enrollee. Not Just Employees

Patient Centered Outcomes Research Institute

Paid Via IRS Form 720
Due July 31st
Plan years ending
10/1/12-10/1/13 \$1
10/1/13-10/1/14 \$2
Adjusted through 2019

Transitional Reinsurance Fee

Paid Via Plan Invoice
Member Counts 11/15/14
1st Payment Due 1/15/15
\$5.25 PMPM
(Decreases next 2 years)

Four Calculation Methods for Counting Members

- Actual Count
(sum covered lives each day and divide by number of days)
- Snapshot
(sum covered lives on selected days per quarter and divide by the number of days)
- Member Months (Current NAIC Method)
- State Form (Current State Insurance Filing)

Also need to collect Dependent SSNs
Or show two “good faith” efforts

ACA Help Your Plan

Reality of Dependent Data

Often out-of-date

Often missing SSN

4% to 12% enrolled dependents are ineligible

ACA Presents Ideal Opportunity

Communicate with employees about families

Reinforce positive employee relations

Collect needed documentation (including SSN)

Remove ineligibles not just for tax savings but plan savings

Select Dependent Eligibility Audit Client Statistics

| Client Industry | Employees Included | Dependents Included | % Dependents Removed | Response Rate | Estimated Annual ROI |
|------------------------|--------------------|---------------------|----------------------|---------------|-----------------------|
| Financial | 1,749 | 3,682 | 12.50% | 90.00% | \$32.16 to \$1 |
| Health Care | 1,554 | 3,254 | 3.50% | 96.92% | \$5.17 to \$1 |
| Health Care | 400 | 860 | 6.28% | 98.25% | \$5.40 to \$1 |
| Higher Education | 3,610 | 7,430 | 6.64% | 91.72% | \$19.56 to \$1 |
| Manufacturing | 803 | 1,896 | 4.90% | 99.00% | \$14.97 to \$1 |
| Manufacturing | 516 | 1,167 | 18.77% | 86.00% | \$25.56 to \$1 |
| Manufacturing | 321 | 767 | 19.60% | 99.00% | \$20.25 to \$1 |
| Municipal | 1,515 | 2,692 | 15.10% | 92.90% | \$44.45 to \$1 |
| Municipal | 606 | 1,120 | 6.34% | 99.18% | \$6.17 to \$1 |
| Municipal | 581 | 1,229 | 3.00% | 98.00% | \$4.90 to \$1 |
| National Retailer | 3,162 | 5,642 | 7.20% | 95.00% | \$8.76 to \$1 |
| National Retailer | 1,764 | 3,504 | 4.60% | 99.00% | \$7.97 to \$1 |
| Non-Profit | 847 | 1,965 | 8.20% | 96.00% | \$19.76 to \$1 |
| School District | 3,292 | 6,831 | 4.20% | 97.00% | \$13.47 to \$1 |
| School District | 1,023 | 2,283 | 3.30% | 98.50% | \$7.03 to \$1 |
| Technology | 518 | 1,322 | 3.40% | 97.10% | \$3.68 to \$1 |
| Union Trust | 459 | 1,054 | 8.73% | 98.00% | \$16.17 to \$1 |
| Overall Average | 1,049 | 2,457 | 6% | 98% | \$10.04 to \$1 |

Quick Review

What You Should Have in Place.

**Start
NOW**

- **Compile Needed Data Files**
 - Payroll Data (with history)
 - Enrollment Rosters (with history)
 - Paid Claims (transactions not summaries)
- **Assess Data files for accuracy and use**

**Complete
First
Quarter**

- **Reconcile payroll facts with enrollment facts**
 - Expect major inconsistencies
 - Expect ineligible
 - Expect late terminations
- **Survey all employees**
 - Verify dependent eligibility for two ACA taxes in 2014
 - Collect SSN for ALL employees and family members
 - Two-way communication (authorizations & “good faith” efforts)
- **Confirm cost sharing controls**
 - Preventive Services Zero cost sharing
 - Out-of-pocket maximum limits

For More Information
Contact

si@healthdecisions.com

734-451-2230

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