

# **ACA Compliance Checklist: Are You Ready for 2015?**

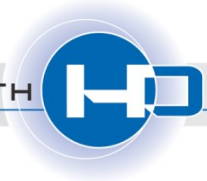
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December 4, 2014

## Bases for Webinar Observations

- Distillation of Monthly ACA Webinar series  
<http://www.healthdecisions.com/Blog/ViewCategory.aspx?cat=5&mid=57&pageid=23>
- Results from ACA Self-Assessments
- Client Experiences
- Observations from research and discussions with others involved in ACA compliance



# ACA Compliance Most Common Mistakes

- Banking on delays or repeal

} “Good faith” effort is your best protection.

- My payroll vendor will handle.
- My plan administrator will handle.
- My consultant will handle.

} It takes a team.  
Need to coordinate and combine all available expertise including CPAs and attorneys..

# Seven Pillars of ACA Compliance

Seven Pillars	What We've Observed
I Overall Compliance	High awareness. Most already compliant <u>except</u> for combining enrollment and payroll.
II Monthly Monitoring	Commonly being overlooked. Sense of annual “one-and-done” is wrong.
III Annual Calculations	High awareness. Most already compliant <u>except</u> those with complex workforces.
IV Annual Filings	High awareness. In state of flux and likely to change so uncertainty fosters “wait and see”.
V Cost-Sharing Confirmation	Largely being ignored. Assume others are monitoring. Big mistake. Under payment costs \$\$.
VI Employee Communications	Huge misperception and area of greatest liability. Open enrollment handles only 4 of 60 events.
VII Audits and Inquiries	Retention of individual records largely ignored by all. Rolling the dice that nothing will happen.

# I Overall Compliance

	<b>It takes a team.</b>	
1	Understand how ACA regulations apply to your specific situation	
2	Reconcile advice from consultants, CPAs, attorneys	
3	Keep current as ACA regulations change and new regulations are issued	
4	Confirm current IRS control group and tax filing definitions in use	
5	Assure ACA filings are consistent with current IRS definitions in use	
6	Obtain National Plan Identifier (currently optional)	
7	Certify “grandfathered” status maintenance (if applicable)	
8	Confirm if “Cadillac” tax may apply in 2018	
9	Reconcile internal payroll and external enrollment facts	

## II Monthly Monitoring

**Once a year is not enough. Waiting until January 2016 is too late.**

1	<b>Assure payroll and enrollment facts remain synchronized</b>	
2	Apply employee type definitions as needed	
3	Confirm all eligible employees were offered coverage	
4	Track Look-back, Administrative and Stability periods for each employee	
5	Document breaks in service, loss of coverage and coverage re-instatements	
6	Document employee, spouse and dependent coverage	
7	Remove dependents at the close of their 26 <sup>th</sup> year birth month	
8	Document coverage offers, elections and opt-outs	
9	<b>Perform monthly compliance reviews with inventory of required communications</b>	

## III Annual Calculations

### Largely addressed (except complex workforces)

1	Count FTE including all W-2 employees full and part time	
2	Count dependents covered under health plans	
3	Confirm plan meets Minimum Essential Coverage tests	
4	Confirm plan passes Minimum Value test and calculate “metal” status	
5	Confirm each employee passes Affordability safe harbor test	
6	Confirm plan meets enrollment Offer requirements	

# IV Annual Filings

## High awareness with “wait and see”

- |   |   |  |
|---|---|--|
| 1 | Report plan value on each employee W-2                  |  |
| 2 | Prepare IRS filings for ACA (1094/1095)                 |  |
| 3 | Submit IRS filings for ACA (1094/1095)                  |  |
| 4 | Report count of covered persons for ACA research tax    |  |
| 5 | Pay ACA research tax                                    |  |
| 6 | Report count of covered persons for ACA reinsurance tax |  |
| 7 | Pay ACA reinsurance tax                                 |  |



# V Cost-Sharing Confirmation

## Largely ignored. Big mistake.

1	Confirm Preventive Care Waiver enforcement	
2	Identify Maximum Out-of-Pocket over payment	
3	Identify Maximum Out-of-Pocket under payment	
4	Assess over/under payment resolution options	
5	Decide on over/under payment resolution actions	
6	Implement over/under payment resolution actions	

# VI Employee Communications

## Huge misperception. Area of greatest liability.

1	Document family income as needed for Affordability testing	
2	Document dependent SSN or confirm good faith effort at collection	
3	Confirm authorization for use of electronic communications	
4	Monitor all 60 ACA communication events during the year	
5	Assure all 8 scheduled ACA communications occur as required	
6	Flag all of the 24 ACA one-way communications as they occur	
7	Send all ACA one-way communications	
8	Flag all of the 28 ACA two-way communications as they occur	
9	Send all ACA two-way communications	
10	Track responses to two-way communications and non-response follow-up	
11	Staff call center to assist employees and answer questions	
12	Document all communications (mail, e-mail, phone , internet, etc.) for each employee	

# VII Audits and Inquiries

## Rolling the dice with the odds against you.

- |   |  |
|---|--|
| 1 | Retain employee-specific calculations and communications for use years later in the event of employee questions, appeals, litigation, compliance reviews, and IRS audits |
| 2 | Respond to questions from employees directly, via third parties or legal counsel   |
| 3 | Respond to employee appeals of claim denials requiring external reviews  |
| 4 | Respond to compliance reviews from DOL or State Exchanges  |
| 5 | Respond to IRS audits  |
| 6 | Assess positions taken by external parties and engage in exchanges of information  |
| 7 | Assess options for resolution of issues from audits and inquiries  |
| 8 | Decide on actions to be taken  |
| 9 | Implement actions  |

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