

4 C's of PPACA Compliance

2015 is the beginning of serious compliance issues as related to the PPACA (Patient Protection and Affordable Care Act).

Only about 15% of employers even reconcile their monthly carrier invoices are now facing significant compliance thresholds that will rely on accurate and timely record keeping.

If an employer had more than 100 full-time employees in 2014, and has a calendar year plan — the employer should be offering creditable coverage to full-time employees. But learning how to even determine this headcount accurately is confusing and many brokers offer no support to this end. The counts needs to include those working 30 or more hours per week over the preceding measurement period that carried through the end of 2014. Next, this means that employers would be in the first stability period as well, and that those employees to whom coverage was offered as a result of satisfying the hourly requirements of the measurement period have that coverage and continue to be eligible for that coverage for a period of at least six months and no shorter than the measurement period. Then, for those employees subject to measurement periods (those variable hour employees), they would now be in their second measurement period to determine whether they will be eligible for coverage for the 2016 plan year.

This overlap of the first stability period and the second measurement period is key because over the next year employers have to remember that both apply. As we move through 2015, an employee who achieved full-time status during the 2014 measurement period may begin to average fewer than 30 hours per week over the 2015 measurement period. But that does not mean they lose coverage. They may lose eligibility for coverage in the 2016 plan year (which is why it is important to track their hours over the 2015 second measurement period), but they maintain that eligibility for the 2015 first stability period because of their status in the 2014 initial measurement period.

As employers hire in 2015, the decision will be whether the new hire is a variable hour employee subject to a measurement period (which means eligibility to participate in the health plan would be delayed), or whether the new hire is brought on as a full-time employee. Remember that new hires that are hired on a full-time basis generally have to be eligible for coverage within 90 days of the date of hire. Therefore, an additional consideration moving forward in 2015 is what status new employees are given as it relates to their eligibility. Headcounts should be tracked on a monthly basis and be “tied out” to the preparation of 1095 which are required for companies with more than 50 employees during 2015 and due to be mailed to employees before the end of January in 2016.

The good news is that, at least through the close of 2014, no new regulations or restrictions were passed that significantly alter this basic framework. Employers should start off 2015 with three basic considerations:

- **Conformity** of all records including Carrier invoices, COBRA activity and Compensation / Payroll records.
- Make sure to offer and maintain **Coverage** to those who are eligible.
- Make sure to treat new hires **Correctly**.
- Make sure to **Count** employees in accordance with the instructions for form 1094-C (even though they are still in draft form).

Compliance with the PPACA starts now ... not later ... because the record keeping cannot be generated after the fact!