



HEALTHCARE - MUST READ INFORMATION

The Patient Protection and Affordable Care Act requires that all employers, regardless of how many employees they have, must notify each employee about the availability of the public health insurance exchanges (aka "marketplaces"), no later than October 1, 2013. This PayDay contains AccuPay's observations about this employer requirement as well as "model notice templates" created by the Department of Labor.

WHICH EMPLOYERS ARE REQUIRED TO NOTIFY THEIR EMPLOYEES?

Technically, this employee notice requirement applies to employers who are subject to the Fair Labor Standards Act (FLSA). Since the FLSA applies to virtually all organizations, **we recommend that every employer send DOL notices to their existing employees.**

PURPOSE OF THE REQUIREMENT?

The Federal government wants every American to be aware of the availability of health insurance by going to each state's exchange (marketplace). This employer obligation is essentially a "marketing distribution channel" the Federal government is using for public awareness of the exchanges.

WHAT IF I DO NOTHING?

The law nor regulations appear to impose penalties or other sanctions for not sending the exchange notices. However, it is Federal law to send the notices and sending them is not that difficult.

WHO DO I SEND NOTICES TO?

You should send the notices to all your existing employees both full and part-time. Remember, the purpose of the notices is public awareness so all employees should receive the notices.

For employees hired after October 1, 2013, you are required to provide each "new hire" an exchange notice. We recommend you provide a new hire the exchange notice at the same time they are completing their other new hire paperwork.

TIMING AND DELIVERY OF NOTICES

Notices must be sent to all current employees by October 1, 2013. All "new hires" after October 1, 2013 should be provided exchange notices with their other "new hire" documents ([see our PayDay on New Hire Forms](#)).

Delivery can be in hand, by first-class mail, or electronically to employees who have access to employer's electronic communication system. We recommend that you maintain a log of whom you send exchange notices to as well as any records that document their delivery and receipt.

WHAT DO WE SAY IN THE NOTICES?

The Department of Labor is regulating the content of the notices and has created two "approved" notices - one notice for employers that maintain an employer-sponsored health insurance (or self-insurance) plan, and a separate DOL notice for employers who currently do not provide healthcare to their employees. **You can download the two DOL "model notices" below:**

[DOL Notice - For Employers who provide Healthcare insurance to their employees](#)

[DOL Notice - For employers who do NOT provide health insurance to their employees](#)

You can also link onto some "FAQ's" prepared by Aflac, which provides excellent "add-on" information about the health insurance exchanges, as well as 2 websites which provide substantial information about healthcare options for 2014. These Aflac "FAQ's" will make excellent supplemental information to the required DOL exchange notices, should you choose to include them with the required notices. The "FAQ's" are also available in 2 versions, [one for employers who do provide health insurance](#) and [one for employers who do not provide health insurance to their employees.](#)

The DOL model notice for employers who provide health coverage requires that you provide mandatory "basic information" about your health plan(s) in "Part B" of the DOL form. More specific but OPTIONAL information about your health plan coverages can be provided in Part B Questions 13-16 of the DOL model notice.

Employers who currently provide healthcare coverage to their employees should contact their health insurance agent for help in completing Part B of the DOL model notice.

THE PPACA/PUBLIC EXCHANGES IS TRANSFORMING THE HEALTHCARE INSURANCE INDUSTRY

The PPACA, aka "Obamacare," is vastly complex with many unknowns, BUT the law will create major changes to our pre-PPACA health insurance industry. More employers will provide "consumer-driven health plans" as options, which are essentially high-deductible health insurance plans paired with medical spending accounts (HSA's, FSA's, etc.) Millions of Americans who are currently uninsured or "underinsured" will be able to procure health insurance which provides specific "essential health benefits," even if they have "pre-existing conditions." The state exchanges (marketplaces) will provide premium tax credits and cost-sharing subsidies to lower a person's personal cost of health insurance and deductibles/co-pays. The lower a person's/family's "household income," the less they will pay for healthcare.

AccuPay envisions an employer small business model which could be a combination of employees obtaining cost reduction subsidies on the state exchanges paired with employers providing medical spending accounts and "gap insurance" programs to employees. **Each employer/employee's unique fact pattern and employee demographics need to be analyzed for wise business decisions in this "new world" of healthcare.**

ACCUPAY BENEFITS AND FLEX

AccuPay Payroll has formed a new division, AccuPay Benefits and Flex, whose purpose will be as follows:

- **Educate and consult with employers and their employees** as to how to best respond to the new system of healthcare benefits and insurance;
- **Provide Affordable Care Act custom payroll and insurance reporting for our employer payroll clients.** We have custom designed 4 ACA employer reports, as well as a comprehensive overview report which will assist employers with both required information reporting AND reducing their costs associated with health benefits for their full and part-time employees;
- **Provide employers with "third-party administration" of Section 125 "cafeteria plans,"** to include medical spending debit cards as well as legally required plan documents. These "flex" and "cafeteria" plans will provide both income and payroll tax savings for both employees and employers; and
- **AccuPay Benefits and Flex will provide "best practices" health insurance products and designs (HSA's, FSA's, HRA's) to employers and employees,** and will also help individuals make the best insurance selections, along with exchange enrollment on the state exchanges. **In addition, AccuPay Benefits and Flex will have its own "private health exchange" open for enrollment by October 1, 2013.**

AccuPay Benefits and Flex has the following management team to educate and assist with healthcare reform:

Joe Stafford, CPA - Joe has an MBA in finance and has over 10 years of experience designing health, disability, and long-term care insurance plans, featuring HSA's, HRA's, and FSA's for small-medium sized employers as well as individual health plans. **Joe has been the agency principal at Crossroads Insurance Benefits in Greenwood since May of 2003. Joe will be our primary advisor for both employers and employees in helping them make decisions as to both insurance design and policy/coverage selections.**

Larry Shaub, CPA - Larry is currently the Tax Director responsible for tax filings and related payroll tax research for AccuPay Payroll. **Larry is certified in financial planning as a CFP, payroll as a CPP, and recently became a Certified Healthcare Reform Specialist. Larry will work with the income and tax aspects of the public exchange premium tax credits as well as helping employers set up tax-advantaged Section 125/Flex plans.**

Lisa Reed, SPHR - Lisa has an MBA in Human Resources and is AccuPay's current Director of Excellence. **Lisa will make sure that all health insurance design and "flex/Section 125" decisions are actually implemented in the employer's payroll system correctly - as pre or post-tax.** Lisa has also been involved in creating custom ACA reports to help employers comply and plan for the PPACA.

NEW ACCUPAY BENEFITS AND FLEX EMAIL

We have a new email account, healthcarereform@accupay.com to which you can address questions about healthcare reform to Joe, Larry, and Lisa. We all love to educate/inform both employers and employees about the PPACA and how it will impact their organizations and lives.

We are excited to help employers and people learn more about PPACA/Obamacare so that wise financial decisions are made!

PayDay is an email communication of payroll news, legal updates and tax considerations intended to inform clients and colleagues of AccuPay about current payroll issues and planning techniques. You should consult with your CPA or tax advisor before implementing any ideas, comments or planning techniques.