



# Health Care Reform Guide

Understanding your role as an employer.



# Get Ready.

During the past 30 years, MMC has supported health care as well as business professionals to navigate the confusing world of compliance and legal regulations.

Our goal is that the information included in this brochure condenses the enormity of health care reform, and the Patient Protection and Affordable Care Act (PPACA) in an easy-to-understand version, as it relates to the business world in the united States

- MMC Management Team

Please visit the MMC website for additional information:

<http://www.mmchr.com/healthcare-reform/>



# Determining Company Status

## Companies with less than 50 employees

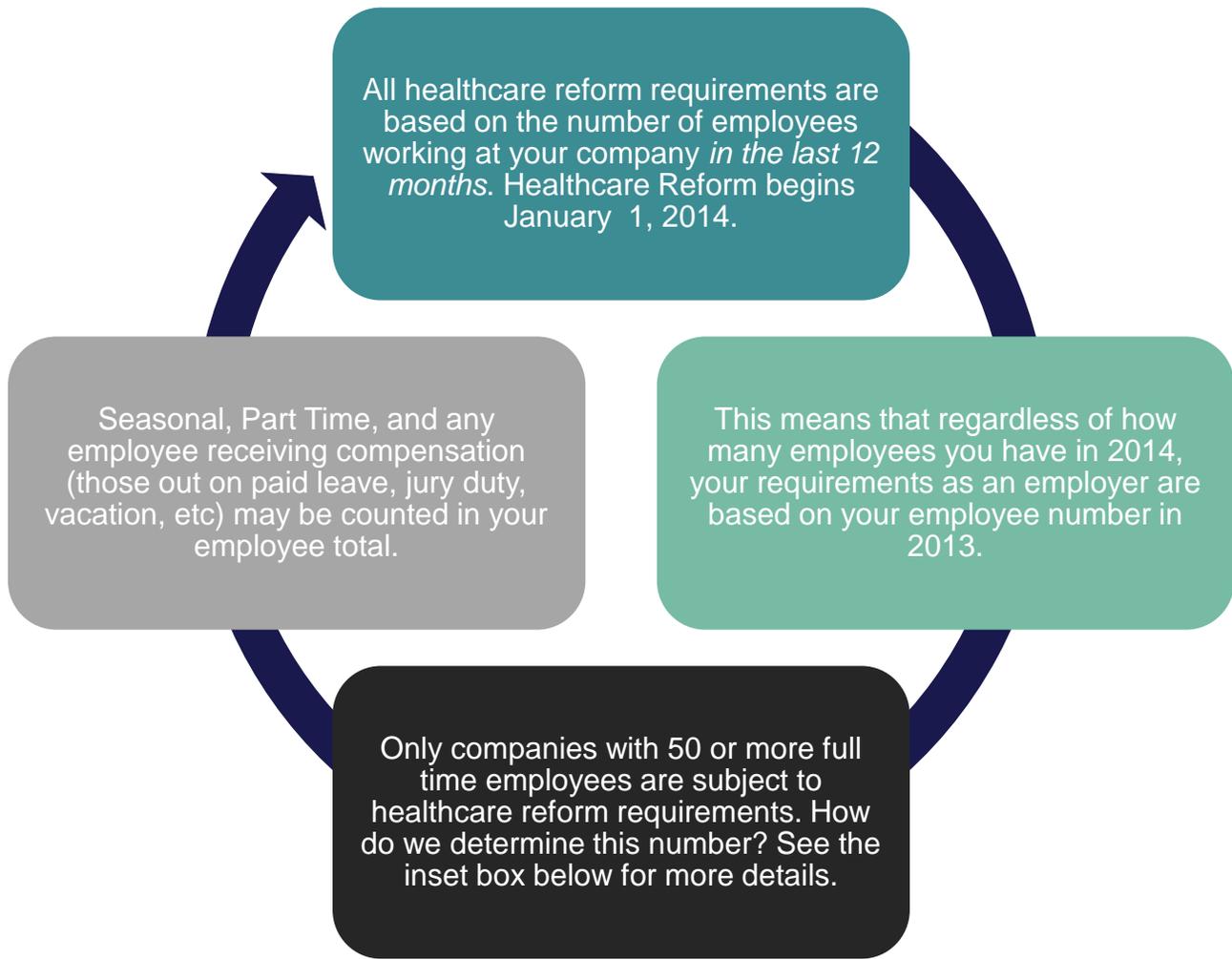
- **EXEMPT** from penalties/fees
- While every individual must have health insurance, smaller employers are not required to provide it for their employees.
- [www.MMChr.com](http://www.MMChr.com) has links to information on healthcare options for employees who need to obtain coverage to meet the required individual mandate (see “Employee Responsibility” on page 5)

## Companies with 50 employees or more

- MMC helps you stay in compliance by constantly assessing your group.
  - Analyze compensated and seasonal employees, to determine eligibility
  - Part time employee assessment (see box below)
- MMC Reports
  - 12 month employee count/average
  - 9.5% employee compensation evaluation

- Part time employees’ hours must be tracked carefully. At the end of a 12 month period, if they average more than 30 hours/week, they will qualify for benefits the following month.
- Part timers enrolled in the group’s health benefits will be counted as full time employees.

# Classification of Employees



## MMC KEEPS YOU COMPLIANT

Standard for all MMC clients is an annual report that helps us analyze your on going employee count. Seasonal employees that work at least 30 hours/week for at least 4 months are considered full time employees.

Employee hours are carefully tracked, as part time employees are combined to create a FTE (full time equivalent) employee.

# Employer Responsibilities

## (Groups with 50+ employees only)

### Benefits Plan Requirements for 2014

- Deductibles cannot be over \$2,000.00 for individuals and \$4,000.00 for families (in-network)
- Waiting period for benefits must be 90 days or less
- Guaranteed issue (cannot be denied coverage) and renewability
- (Effective in 2010) 100% preventative care coverage, no lifetime benefit maximums

### Benefits Plan Minimum Values

- Plan must cover at least 60% of costs in these four areas: primary care visits (physician services), hospital and emergency services, pharmacy benefits, lab and imaging services.
- There is an actuarial/minimum value calculator available through the Department of Health Services/US Treasury website for use (as these minimums are based on the general population).

### Employer Contribution to Benefits

- The employer must contribute enough to the benefits so that they are determined to be affordable (i.e. premiums for the least costly plan offered should not cost an employee more than 9.5% of their individual income).

**FAILED TO MEET THESE REQUIREMENTS?**  
Read the next page for penalties.

# Potential Penalties “Pay or Play”

## (Employer and Individual Shared Responsibility)

**The following are penalties which may apply to Employers in 2015:**

### Employers who do not offer health insurance

- \$2,000.00 for each full time employee (count begins after 30 employees) if any employee in your company is receiving a government subsidy for health insurance in Covered California (our state Exchange)

### Employers who offer a plan that does not meet the minimum value

- \$3,000.00 for each full time employee who receives a government subsidy in Covered California (our state Exchange) OR
- \$2,000.00 for each full time employee (count begins after 30 employees)

### Employers who offer unaffordable health insurance

- \$3,000.00 for each full time employee who receives a government subsidy in Covered California (our state Exchange) OR
- \$2,000.00 for each full time employee (count begins after 30 employees)

# Small Business and Individuals



## Covered California

Covered California is a market place where individuals, families, and small business can shop for different plans, coverage levels and pricing.

- Individuals or families may qualify for premium assistance based on their income.
- Must be a small business with 50 or fewer full-time equivalent employees (up to 100 in Hawaii).
- Companies may apply for coverage starting October 1, 2013 for coverage beginning as early as January 1, 2014. *Or you can apply anytime throughout 2014.*
- If your business has fewer than 25 employees, you may be eligible for small business tax credits when you offer health coverage for your employees through Covered California.

# Contact Us.

For additional resources or information on the Patient Protection and Affordable Care Act, please visit: [www.MMChr.com/healthcare-reform](http://www.MMChr.com/healthcare-reform)

MMC, a California based Human Resources Outsourcing company, was established 30 years ago for the purpose of guiding business owners through the unknown.

MMC provides HR Outsourcing & Consulting solutions to improve business performance. By outsourcing HR, you will be cutting costs, lowering risk, and better positioning your company for success.

## Get Started.

Receive a free consultation for your business today.

**Phone:** 800.899.6624

**Email:** [marketing@mmchr.com](mailto:marketing@mmchr.com)

**Web:** [www.mmchr.com/services](http://www.mmchr.com/services)

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