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OPINION

Employer mandate may be delayed but deadlines still exist

By **TONY DaRe**
Special for Lehigh Valley Business

On July 2, the Obama administration postponed the Patient Protection and Affordable Care Act employer mandate penalties for one year until 2015.



DaRe

As employers know, this is only one provision under the PPACA, and other compliance deadlines are fast approaching.

What is next, and how should employers go about managing their health care reform transition successfully?

In about 45 days, open enrollment for the federal public health exchange is scheduled to open for business. At this point, there is very little information available in regard to the content of the exchange. No plan designs, no rating, etc.

Ultimately the success or failure of the public exchanges will hinge on their ability to attract young and healthy individuals. Unfortunately, the exchange seems to be lining up like a great place for an older population, not yet Medicare eligible, to obtain insurance with no pre-existing conditions.

For the young and healthy, they have three choices:

(1) Go without insurance and face a \$95 tax penalty.

(2) Stay on their parents' insurance through age 26, which also is a component of health care reform already in place.

(3) Elect insurance on the exchange at minimum cost of a couple thousand dollars per year.

Can you spot the option least likely to gain favor among young people?

In the short term, the question is, "Will the public exchange launch in time or face a delay similar to the employer mandate?"

In the long term, the prospects for controlling rating and costs in the exchange seem incredibly small.

However, business owners should not feel paralyzed by the uncertainty surrounding the next steps for health care reform. By being proactive and leaning on trusted advisers, companies can successfully navigate the health care reform minefield.

If you have more than 50 full-time equivalent employees, the delay in the employer mandate works in your favor – giving you 12 more months to evaluate your existing benefits program to ensure health care reform compliance, and affording time for the public exchanges and small business exchanges to take shape.

With the Small Business Health Options Program known as SHOP, if you have fewer than 25 eligible employees who make less than \$50,000 on average per year, there are potential tax credits up to 50 percent of premium avail-

NEXT SIGNIFICANT DATE: OCT. 1

The next important Affordable Care Act date for employers is Oct. 1. Whether or not an employer offers insurance, it must provide notice to its employees about the public exchange option by Oct. 1, before the start of open enrollment.

For sample notification forms from the U.S. Department of Labor:

■ **Sample form for companies who already offer insurance:** www.dol.gov/ebsa/pdf/FLSAwithplans.pdf

■ **Sample form for companies who do not currently offer insurance:** www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf

able to you.

If you feel like your organization is behind on health care reform compliance and planning, do not panic. You are not alone. A suggestion is to contact the following professionals who have a responsibility to ensure you and your company are proactive in developing a successful action plan to guide you through health care reform implementation:

• **Insurance carrier** – Do not just pay your monthly bill. Your insurance carrier has an obligation to provide you with the necessary resources to weed through complicated reform language.

Most carriers have online tools, free webinars and dedicated account managers who will help ... if you ask.

• **Insurance agent/broker/consultant** – Don't forget that every month when you pay your health insurance bill, your agent gets a check. Make them earn it.

They are your ally and should be representing you and the best interests of your organization. The best interests of your organization may not line up with the best interests of your insurance carrier.

Find a consultant who understands who he or she works for — and who will be your advocate for negotiating with insurance carriers and helping you communicate health care reform changes to your employees.

• **Certified Public Accountant/tax attorney** – The IRS is completely integrated with almost every provision of health care reform. It also is the "stick" behind health care reform compliance.

Understanding the tax implications to each provision of health care reform is crucial to ensure your organization remains in compliance.

Remember, your job as a business owner or executive is not to understand every provision of health care reform; your job is to make the professionals, who should be experts in this arena, do theirs.

Tony DaRe, agency principal of BSI Corporate Benefits, has more than 17 years of health insurance experience with two large insurance carriers prior to founding BSI, an independent insurance agency. BSI represents more than 100 clients (including Coordinated Health, the Lehigh Valley IronPigs and Lehigh Valley Phantoms) and specializes in group health insurance, dental, vision, life and disability. He can be reached at adare@bsicorporate.com or 484-821-1300, ext. 201.

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