



Health Care Reform

What HR Professionals and Employers Should Know

Some of the provisions of the Patient Protection and Affordable Care Act are created to improve affordable health coverage for many. The Act is effective beginning in 2014. The Department of Labor (DOL) has released a series of FAQs-related to automatic enrollment, 90-day waiting periods and employer shared responsibility.

Federal agencies such as Treasury, Human Services, Health and Labor are in the process of proposing additional regulations. At this time, we are awaiting additional FAQs with guidance and will keep you informed as these are released.

Required Automatic Enrollment

The Affordable Care Act required employers with over 200 full-time employees to automatically enroll new full-time employees after any waiting period that is legally authorized in their health benefits plan. The Affordable Care Act will also require employer to provide the opportunity for an employee to opt out of any coverage in which the employee was automatically enrolled, with adequate notice. At this time, the DOL has realized that the auto enrollment guidance may not be ready for the 2014 timeline; therefore, at this point, employers are NOT required to comply with auto enrollment. Final regulations will be issued and then will become applicable.

90-Day Limitation

The Affordable Care Act, beginning on or after January 1, 2014, limits group health insurance or group health plans to a 90-day or less waiting period. That means that a new employee would wait just 90 days before the group health plan enrollment. The FAQ clarifies that this does not increase coverage to different classes of employees; it merely defines that eligible classes of employees would wait no longer than 90 days before being added to the plan.

Shared Responsibility

The Affordable Care Act also requires employers with 50 or more full-time employees to make a “shared responsibility payment” if any of the employer’s full-time employees is certified to receive a premium tax credit or cost-sharing reduction payment if the employer does not offer minimum essential coverage or if the coverage is not affordable to the employee.

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