

LEGAL UPDATES

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## In Wake of ACA Dust-up, Healthcare Compliance Obligations Remain for Group Health Plan Sponsors

On March 24, 2017, the Republican leadership withdrew the American Health Care Act from consideration by the full House of Representatives after it became clear there were not enough votes to pass the bill. Although the future of the Affordable Care Act (ACA) is unclear, what is clear that it remains the law today. So we thought this would be a good time to remind everyone that all ACA requirements remain in place and employers should continue to comply with the law.

### What This Means to Employers

To comply with the ACA, group health plan sponsors should:

review their group health plan documents and administrative policies for general ACA compliance;

monitor and track employees' hours to determine the number of full-time employees and full-time equivalent employees, either on the look-back method or monthly method;

report employee coverage data to the Internal Revenue Service (IRS) and employees on the appropriate Form 1095;

provide minimum essential health insurance coverage to at least 95 percent of full-time employees; and

provide affordable coverage to full-time employees.

The existing penalties for covered employers who fail to meet these requirements still apply. We are not aware of any legal basis for the IRS not to continue its compliance efforts, which may include contacting employers regarding the coverage offered to their employees.

For employers of variable-hour workers, ACA regulations encourage use of a complicated look-back measurement method for determining full-time status that can result in additional costs for employers. However, there are strategies, policies and processes for complying with the ACA while covering variable-hour employees only when they are truly full-time, or they otherwise decline coverage. These policies and processes have helped our clients save time on administrative tasks and health insurance costs while avoiding penalties under the ACA.

### **Contact Us**

If you have questions or need assistance with ACA compliance, including strategies for variable-hour employees, please contact any member of Husch Blackwell's Employee Benefits & Executive Compensation team.