

Understanding Healthcare Reform



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Confused About Healthcare Reform? You're Not Alone!

With a substantial portion of the Patient Protection and Affordable Care Act set to go into effect on January 1st 2014, many employers are working diligently to determine how the law will impact them, their business and employees. Because the law will require most employers with more than 50 FTE's (full time equivalent employees) to offer benefits or face financial penalties, employers nationwide are trying to understand the law and its impact on their bottom line.

Under a provision called "The Employer Shared Responsibility Rule", large employers (50+FTE's) are required to offer a minimum value benefits plan to all eligible employees. This plan offering must also be determined to be "affordable" under the guidelines of ACA. Currently the ACA regulations only require the employer to participate in the cost of the employee premium, however dependent coverage must be available for employees to enroll their dependents if they choose to do so. If an employer fails to comply with these new rules, they will face fines and penalties.

What are the Penalties?

The failure to offer coverage at all may result in a penalty of \$2000 per employee minus the first 30 employees. The insufficient coverage penalty applies if the employer offers coverage but the coverage does not meet the definition of minimum value benefits or isn't affordable. The financial penalty for noncompliance with this regulation is \$3000 per employee that enters the California

Exchange and receives a financial subsidy.

Employers should note: The IRS has set controlled group guidelines that will determine whether an employer with interest in several companies and at least 80% ownership will be considered a large employer and thus must comply with the shared responsibility provision of ACA.

In an effort to assist our customers, prospective customers, and readers of Gilroy Today through the intricate rules and regulations surrounding healthcare

reform, Pacific Coast Benefits has developed a new tool to provide guidance and navigation.

NavigateReform.com is a new website designed to help with complicated issues and questions regarding

healthcare reform and the looming changes coming in January. This website is filled with tools and information to assist both business owners and individuals with questions regarding ACA and how it will impact the healthcare they receive and provide to their employees. Included on the site is the actual PPACA law and Reconciliation Act, links to government resources and decision engines, Healthcare Reform Q&A, An Employers Guide to Healthcare Reform, and archived articles and newsletters including previous articles written for Gilroy Today. Please feel free to visit the site and download any of the tools and information you find useful. Pacific Coast Benefits is committed to assist our customers and community with Healthcare Reform guidance.

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