ACA compliance does not start at year-end: what healthcare employers should review now

Ensure your healthcare organization is ACA compliant year-round by reviewing employee statuses, measurement periods, and coverage details before filing season.

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For many employers, ACA compliance becomes urgent when year-end filing approaches or an IRS letter arrives.

By then, however, the most important decisions may have already happened. Employees have been hired and rehired. Hours have fluctuated. Coverage offers have been made or missed. Enrollment and waiver activity has accumulated. Payroll corrections may have changed the underlying data.

That is why ACA compliance should be managed as a year-round workforce process, not simply a filing exercise.

Start with the applicable large employer test

An organization is generally an applicable large employer, or ALE, for a calendar year if it averaged at least 50 full-time employees, including full-time-equivalent employees, during the preceding calendar year.

ALEs are subject to employer shared-responsibility provisions and ACA information-reporting requirements. Depending on the circumstances, an ALE may face potential payments if qualifying coverage is not offered or if the coverage offered is unaffordable or does not provide minimum value.

Because organizational structures and workforce calculations can be complex, employers should confirm their ALE status and specific obligations with qualified advisors.

Why healthcare workforces make ACA tracking more difficult

In healthcare, an employee's work pattern may change quickly.

A part-time caregiver may pick up open shifts. A PRN employee may begin working a more regular schedule. A clinician may transfer between locations or entities. A rehired employee may need to resume an existing ACA status rather than begin again as a new hire.

Home care, home health, hospice, skilled nursing, senior living, and ABA organizations may also manage continuous hiring, late timecard corrections, multiple job codes, and high employee turnover. These operational realities can affect how employee hours and eligibility are tracked across measurement, administrative, and stability periods.

The challenge is not simply understanding the ACA rules. It is making sure the underlying workforce process reflects how employees actually work.

Five questions to ask before filing season

1. Are employee statuses current?

Review whether each employee is being tracked appropriately as full time, part time, or variable hour based on the method your organization uses.

Pay particular attention to new hires, rehires, employees with changing schedules, and employees who have moved between locations or entities.

2. Are measurement periods configured correctly?

Healthcare employers may need to manage initial measurement periods for new variable-hour employees while simultaneously tracking standard measurement periods for ongoing employees.

The periods may be defined correctly on paper but still fail operationally if hire dates, rehire history, transfers, or corrected time records do not flow into the process as expected.

3. Can you document every offer, enrollment, and waiver?

Accurate ACA reporting depends on more than an employee's current benefits status.

Employers may need records showing when coverage was offered, what the employee contribution would have been, whether the plan provided minimum essential coverage and minimum value, and whether the employee enrolled or waived coverage.

4. Have you reviewed affordability?

Offering health coverage does not automatically eliminate potential ACA exposure. The offer may also need to satisfy the applicable affordability and minimum-value requirements.

For 2026, the ACA affordability percentage is 9.96% of an employee's household income. Employers should work with their advisors to determine how the applicable affordability safe harbors and contribution rules apply to their plans and workforce.

5. Is your information ready for Forms 1094-C and 1095-C?

Form 1094-C provides employer-level transmittal information, while Form 1095-C reports employee-level information about the coverage offered and related ACA details.

Incorrect or incomplete coding can create discrepancies, questions, and proposed assessments even when the employer believes appropriate coverage was offered.

The financial risk is increasing

For 2026, the annualized Section 4980H(a) amount is $3,340 per full-time employee, excluding the first 30 employees in the applicable calculation. The Section 4980H(b) amount is $5,010 for each affected full-time employee who receives a premium tax credit when the employer's coverage is unaffordable or does not provide minimum value.

Both amounts are assessed monthly, and actual liability depends on the employer's circumstances.

These figures underscore why employers should identify potential gaps before filing rather than waiting for an IRS notice.

Build visibility before year-end

Viventium ACA provides live ACA data and a real-time dashboard to help employers monitor their information and identify potential issues before filing. It supports the tracking of employee status, measurement periods, coverage information, enrollments, and waivers. Viventium also prepares and files Forms 1094-C and 1095-C on behalf of participating clients using the information maintained in the system.

For current Viventium clients, ACA must be added by **Friday, October 30, 2026**, to use the solution for current-year filing.

This article is intended for general informational purposes only and is not legal, tax, benefits, or compliance advice. ACA requirements are complex and fact-specific. Employers should consult qualified advisors and current IRS guidance.