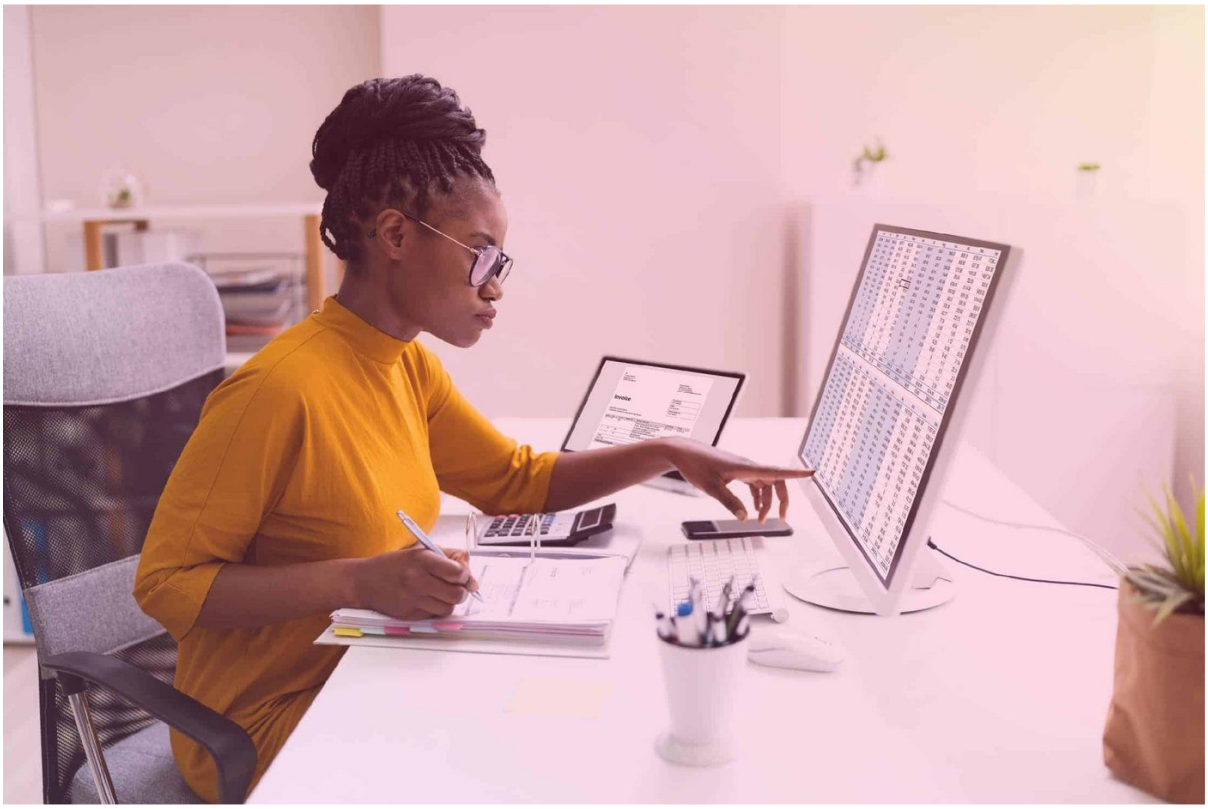
ACA: What to Know about Eligibility, Affordability, and Trackability in Post-Acute Care

ACA requirements can be overwhelming, especially in post-acute care. We cover what you need to know about ACA eligibility, affordability, and trackability.

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Back in 2015, the introduction of the Affordable Care Act (ACA) created a slew of new employer obligations related to health coverage offering. As employees strive to understand and adhere to the various requirements, employers face the critical task of maintaining compliance to avoid significant penalties. And although employees across the nation continue to grapple with and manage the various requirements, employers in the post-acute space face unique challenges when it comes to maintaining compliance.

Eligibility and Variable Hour Caregivers

ACA is heavily focused on employee classification: are you full time or part time? Employers are only required to offer health coverage to their full-time employees, which is defined by the IRS as employees who work on average 30 or more hours per week.

Seems straightforward. And it is. . . for those employers who have mostly salaried employees or hourly employees with consistent schedules. For the post-acute industry, where caregivers often work varying hours, accurate employee classification is critical, yet complicated. Ensuring that full-time employees receive the mandated health coverage requires diligent tracking of hours worked. The IRS constructed a measurement system for these varying hour employees. Employers look back at a prior work period, calculate average hours worked during that period, determine full- or part-time status based on those hours, and apply that status to a future specified time. And the measurement cycle continues for the duration of employment.

Post-acute employers must also deal with the transient nature of the workforce. High turnover, as well as many caregivers who are rehired, add to the complexity of ensuring employees are classified correctly and offered health benefits.

Affordability

A large part of the intention behind ACA was to ensure American workers have access to affordable health coverage. ACA affordability requirements pose a unique challenge to post-acute employers. Many caregivers are paid at or near minimum wage and do not have a lot of leeway to pay for health insurance benefits. At the same time, employers face the challenge of offering health care benefits that are considered affordable. The IRS defines precise limits on how much an employer can charge an employee for self-only health coverage. This affordability threshold is updated annually based on the rate of premium growth and the consumer price index (CPI). As an employer, it's critical to be aware of current affordability thresholds and ensure that you meet those requirements. If even one caregiver is not offered affordable coverage and obtains an IRS subsidy to offset their health care costs, you could be at risk of being assessed heavy penalties. Having the ability to track the affordability of health coverage offers across your post-acute workforce as hours and wages fluctuate is going to be key to meeting affordability limits and avoiding hefty payouts for noncompliance.

PBJ Reporting

For skilled nursing facilities, ACA compliance brought with it a new set of reporting solely for long-term medical and nursing facilities: Payroll-Based Journal reporting (PBJ).

Since 2016, the Centers for Medicare and Medicaid Services, commonly known as CMS, has required facilities to electronically submit direct care staffing information. This data, combined with census information, is used to score facilities on their staffing levels and provide those ratings to the public. To comply, it's vital for facilities to have a process in place to upload detailed staffing data, including hours worked each day categorized by job title for both employees and contractors, on a quarterly basis. Timely and accurate PBJ reporting is critical as it directly effects a facility's reputation.

Navigating ACA requirements can be overwhelming for anyone. For employers in the post-acute care industry, the challenge is magnified by the nature of their workforce. Balancing these requirements with managing operational costs and workforce dynamics remains a significant challenge, underscoring the intricate relationship between health care legislation and the post-acute sector.

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