



## The Affordable Care Act and the Arkansas State University Health Plan

### About the ACA

The Patient Protection and Affordable Care Act (ACA), or Health Care Reform law, is federal legislation passed in 2010. This law impacts both employers and individuals.

### Employer impact

In general, the law requires that employers with 50 or more full-time employees—like the Arkansas State University System—offer medical insurance to full-time employees and their children up to age 26. In 2015, employers not offering medical insurance may have to pay a penalty to the government. The Arkansas State University System (ASU) already offers medical insurance to benefits-eligible employees. ASU elected to remain a grandfathered plan, which eliminates or extends the implementation date of several required changes. We elected this in an effort to control costs, which benefits our employees who share the cost of paying for coverage.

The ACA has requirements with various implementation dates. ASU has significant responsibilities under the law, and we have complied with the law in several ways:

- Expanded coverage to include children up to age 26 if they were not eligible for coverage on their own, or their spouse's, employer sponsored group health plan. Effective January 1, 2014, children up to age 26 will be eligible for coverage, even if they have access to another group plan.
- Raised the maximum coverage for each covered individual on our plan from one million dollars over the lifetime of coverage to two million dollars annually. Effective, January 1, 2014, there will be no annual or lifetime limit on coverage.
- Eliminated pre-existing conditions for children under 18. Effective January 1, 2014, we will eliminate pre-existing conditions for all covered individuals.
- Provided employees with required ACA notices, including the Exchange Notice, the ASU Summary of Benefits Notice and the Medicare Part D Notice, all of which can be found at [www.asusystem.edu/mybenefits](http://www.asusystem.edu/mybenefits).
- Reported employer provided health coverage cost on the 2012 W-2.
- Paid the required PCORI fee in July 2013 and will pay required PCORI Fee as well as the Transitional Re-insurance Fees in years 2014 and beyond as required.

## **Individual impact**

The law also requires that most Americans have medical insurance by January 1, 2014. The law ensures that Americans have access to medical insurance they can afford—whether they get it from an employer, an insurance company or from the government. People who are not covered by medical insurance beginning in 2014 may have to pay a tax penalty. You can access information about the ACA at [www.healthcare.gov](http://www.healthcare.gov).

## **How Does This Impact Me?**

The ACA requires that you have medical coverage by January 1, 2014. Your employment and benefit status determines your eligibility for medical insurance at ASU.

## **Current Benefit-Eligible Faculty and Staff**

Benefit-eligible employees are those faculty and staff in a regular full-time position. Extra-help, adjunct faculty, and students are not eligible for coverage. The changes required by the ACA will not impact your eligibility for benefits or your coverage under the benefit plans. We will continue to offer a competitive and valuable benefits package that includes medical insurance to over 4,200 employees, spouses and dependents. Our current health plan meets or exceeds the minimum coverage requirements of the ACA.

## **Current Benefit-Eligible faculty and staff who have ‘waived’ medical coverage**

The law requires that you have medical coverage by January 1, 2014. If you are benefit eligible and are not receiving medical insurance from another source, like your spouse’s or parent’s plan, the ASU health plan may be your best option for coverage. You’ll want to pay special attention to the annual open enrollment period this year when you’ll learn more about your medical coverage choices. We will provide the information you need to help you make an informed choices. Annual enrollment is generally around the first two weeks of November. Be sure to watch for specific dates for in mid-October.

## **Current Non-Benefit Eligible Employees**

Because the law determines eligibility based on hours worked, ASU has established an Operating Procedure to limit the number of hours a non-benefit eligible employee works. No employee who is in a position that is non-benefit eligible may work more than twenty-nine (29) hours per week. The Operating Procedure also establishes a method to quantify hours worked by an adjunct faculty member. Under the Operating Procedure, every course credit hour equals three (3) hours worked. That means a three (3) credit hour course is equivalent to nine (9) hours of work per week. Adjunct faculty are considered part-time employees and may not teach more than nine credit hours per semester.

### **Variable Hour Employees**

Any employee: whose regular assignment is not full-time; who may or may not work a set schedule; and, whose hours may vary, are referred to in the law as “variable-hour” employees. Variable-hour employees who work an average of 30 hours or more per week over a measurement period (determined by the employer in compliance with the ACA regulations) must be offered access to the employer health plan, although they may decline or waive the coverage.

If you are a variable hour worker and meet the criteria for coverage during the measurement period, you will be notified by ASU that you are eligible to enroll in medical coverage.

### **Student Workers**

An employee whose primary relationship to the university is as a student is considered a “student worker”. Students use part-time jobs for several purposes, including offsetting their educational expenses and gaining work experience. The majority of student workers do not average 30 hours per week; in fact, most work 20 hours or less per week in order to focus on their academic programs. Student workers who work an average of 30 hours or more per over a measurement period (determined by the employer in compliance with the ACA regulations) must be offered access to the employer health plan, although they may decline or waive the coverage.

If you are a student worker and meet the criteria for coverage during the measurement period, you will be notified by the university that you are eligible to enroll in medical coverage.

### **Adjunct Faculty**

ASU utilizes adjunct faculty to teach courses on a part-time basis. These individuals rarely work more than part-time; their jobs by definition are part-time. Adjunct faculty who work an average of 30 hours or more per week over a measurement period (determined by the employer in compliance with the ACA regulations) must be offered access to the employer health plan, although they may decline or waive the coverage.

If you are in an adjunct faculty and meet the criteria for coverage during the measurement period, you will be notified by the university that you are eligible to enroll in medical coverage.

Coverage and eligibility requirements are outlined in the **Plan Document and Summary Plan Description for Arkansas State University Health Benefit Plan** available at [www.asusystem.edu/mybenefits](http://www.asusystem.edu/mybenefits).

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