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Utah businesses see a win in Affordable Care Act delay.

Health reform • Medium and large businesses must still provide access to insurance, experts warn.

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Many larger businesses in Utah see this week's surprise reprieve from penalties related to the Affordable Care Act (ACA) as a win.

On Tuesday, the Obama administration unexpectedly announced a one-year delay in fines linked to a new mandate for medium and large companies to provide coverage for workers.

"Most are seeing this as a short-term reprieve of sorts to let them take a deep breath and figure out if there is something else they should be looking at or another strategy to consider," said Aaron Call, vice president of sales and operations for the human resources outsourcing company G&A Partners, with offices in Utah and three other states.

"For the ones teetering on whether they should or shouldn't [provide insurance]," he said, "the money is just being kicked down the road a bit."

Under the ACA, businesses with more than 50 employees are required to provide access to health insurance to those working 30 or more hours a week or face fines of at least \$2,000 per full-time employee. Now, the assessment of fines will be postponed from the end of 2014 to the end of 2015.

A majority of Utah companies at the 50-or-more employee threshold already provide insurance and meet the basic requirements of the law, Call and others said.

But most also have been struggling to figure out how they can meet ACA's reporting requirements and provide adequate proof of the insurance access they provide.

"Employers were scrambling to figure out whether they were going to be at the 50-employee threshold or below the threshold, what to do in order to be compliant and what does being compliant mean," said Vaughn Holbrook, director of government affairs for Regence Blue Cross Blue Shield. "Hopefully by [2015] there will be a little clearer picture."

Some employers have complained the law would dramatically increase administrative costs. Sometimes called "pay or play," the threat of a penalty has also prompted employers in Utah and around the country to cut part-time worker hours to 29 a week or less to skirt the mandate.

Mark Mazur, the assistant secretary for tax policy in the U.S. Department of the Treasury, cited the complicated reporting requirements in announcing the delay.

"We have heard concerns about the complexity of the requirements and the need for more time to implement them effectively," Mazur said in a blog post. "We recognize that the vast majority of businesses that will need to [do] this reporting already provide health insurance to their workers, and we want to make sure it is easy for others to do so."

The delay also gives the government more time to finalize ACA rules that are still in draft form. What it won't do, however, is exempt large businesses from providing health insurance or nullify other provisions of the ACA set to take effect in January, said Susan Grassli, an attorney at GBS Benefits Inc., based in Salt Lake City.

"I hope businesses won't use this announcement to postpone planning," said Grassli, who conducts ACA training seminars for Utah business owners. "Given the complexity of this part of the law, it is important to use this time to get educated, to carefully evaluate and to implement a well-structured plan."

For many companies, the question may boil down to finding a balanced business model that allows them to both grow and meet the requirements of the law.

"It becomes a strategic decision," said Call. "You have to ask what's the best strategy to retain my best people, attract the best talent and still make it affordable."

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