



HEALTHCARE REFORM IMPACT ON YOUR COMPANY AND EMPLOYEES

## *Fish Market*

*For more information about this report, call 205-555-1122 .*

*For questions regarding and to purchase insurance,  
employees must call 1-888-555-3366 .*



## Disclosures

### *Limits of, and Intended Use of This Report*

The ACA Insight Catalyst Report is intended to give you a reasonable picture of the combined impact of Healthcare Reform and your company group health plan on your employees by comparing their insurance costs and options while your company's group health plan remains in place with their insurance costs and options if the company's group health plan is terminated. It is hoped that this information, along with general and financial information provided on the impact of Healthcare Reform on the company will widen your view when you approach the question of making adjustments to your company's health plan in response to Healthcare Reform.

The key employee factors examined in this report are your employee's eligibility for, and amount of Premium Tax Credits (subsidies), and the cost of individual and group health insurance available to them. Household income, and family size directly affect your employee's subsidy eligibility while family size and ages directly affect the cost of the individual health insurance they may be forced to purchase on the open market. It is understood that, because information regarding actual employee household income is not available, and family composition for employees may not be complete, the subsidy calculations, health plan costs, and the conclusions drawn from them, cannot be considered entirely accurate.

However, the information used to generate the report includes some built-in assumptions intended to level out some gaps between the information you provide and actual household information. Even with these assumptions the subsidy calculations, health plan costs, and the conclusions drawn from them, should not be considered entirely accurate.

#### *Assumptions*

##### *Family Structure*

If an employee's group plan enrollment status indicates a spouse, or dependents, the system will assume a spouse, or dependents, even if no other information is provided.

Spouses will be assumed to be the same age as the employee unless otherwise indicated.

Since the age of children under 21 does not affect premium, all children will have the same assumed age.

##### *Spousal Income*

Any employee's spouse, either reported or assumed from group enrollment status, will be assigned a standard income of \$30,000 to include in the employee's household income.

##### *Tobacco Usage*

The calculations in this report do not take tobacco use into consideration. Tobacco use by an employee or an employee's dependent can cause an increase in the portion of premium cost of individual health plans associated with that individual.

##### *Tax Rates*

An average employee payroll tax rate of 25%, and an employer payroll tax rate of 7.65% are assumed.

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## Executive Summary

### *Employer Impact*

**Fish Company  
is a  
Small Employer**

*Potential Shared Responsibility Payment*  
\$0

### *Health Plan Costs – Employer*

*Current Enrollment Levels*

<i>Current Plan</i>	\$140,000
<i>No Group Plan</i>	\$8,010
<i>Savings</i>	\$132,390

*All Employees Participating in the Plan*

<i>Current Plan</i>	\$159,600
<i>No Group Plan</i>	\$9,708
<i>Savings</i>	\$149,892

### *Health Plan Costs - Employees*

*Current Enrollment Levels*

<i>Current Plan</i>	\$104,700
<i>No Group Plan</i>	\$82,237
<i>Savings</i>	\$21,963

*All Employees Participating in the Plan*

<i>Current Plan</i>	\$126,900
<i>No Group Plan</i>	\$104,976
<i>Savings</i>	\$21,924

*Employees Blocked from Subsidy eligibility by Group Plan*

<i>(Waived Employees)</i>	4
<i>(All Employees)</i>	44

### *Government Money Refused by Employer*

\$105,690

*This is the total of Premium Tax Credits that could be paid to your employees by the Federal Government if your company sponsored group plan was not in place*

## Section One Employer Information

### Employees

48 Full Time

48 Full Time Equivalent Employees (FE's)

### Under the ACA, Fish Market

is a

Small Employer

*and is NOT subject to the Employer Mandate*

Fish Market is not required to provide qualified, affordable health insurance to its employees.

### Potential Shared Responsibility Penalty

\$0

### Group Plan Information

Baseline Premiums by coverage level

	<b>Self Only</b>	<b>Couple</b>	<b>Single Parent</b>	<b>Family</b>
Employees Enrolled	33	4	3	2
Employees Opted Out	4	1	0	1
Monthly Cost	\$400	\$750	\$675	\$1,100
Employer Contribution	\$300	\$200	\$200	\$200
Employee Cost	\$100	\$550	\$475	\$900

### Health Plan Enrollment by FT/PT

	Full Time	Part Time
Employees in Health Plan	42	0
Employees Opted Out of Health Plan	6	0

## Company Health Plan Affordability & Qualification

### Affordability

An employer sponsored health plan is consider affordable for employees if the employee cost for self only coverage is less than 9.5% of the employee’s household income. Based on the employee cost for self only coverage, the company health plan is affordable for any employee with a household income of more than \$12631 .

Since accurate household income is not readily known, affordability information is provided based on W-2 income and estimated household income.

### All Employees

	W-2 Income	Est. Household Income
The Group Health Plan is Affordable for	48 employees*	48 employees*
The Group Health Plan is NOT Affordable for	0 employees	0 employees
Potential Employer Shared Responsibility Payment	\$0	\$0

\* These employees are not eligible for a Premium Tax Credit because of the employer’s group health plan.

### Employees Not Currently Enrolled in Health Plan

It is most likely that the only employees that would seek a Premium Tax Credit for an individually purchased health plan would be those employees not currently enrolled in the company’s health plan. The following chart shows affordability information only for those employees not currently enrolled in the company’s health plan.

	W-2 Income	Est. Household Income
The Group Health Plan is Affordable for	6 employees	6 employees
The Group Health Plan is NOT Affordable for	0 employees	0 employees
Potential Employer Shared Responsibility Payment	\$0	\$0

### Qualified Coverage

*Min Actuarial Value - 60%*

*Company Plan Actuarial Value - 74%*

**Your Health Plan is Qualified Coverage**

## Impact Cost Analysis

	Current Plan / Current Enrollment	Individual Solution / Current Enrollment**	Current Plan / All Employees	Individual Solution / All Employees**
<b>Enrollment</b>				
Group Health Plan	42	-	48	-
Health Exchange	-	42	-	48
Total	42	42	48	48
<b>Total Projected Premium Cost</b>	<b>\$245,100</b>	<b>\$56,562</b>	<b>\$286,500</b>	<b>\$73,251</b>
<b>Employer Impact</b>				
Employer Contribution to Employee Group Premium	\$140,400	-	\$159,600	-
Projected Increased Employer FICA	-	\$8,010	-	\$9,708
Projected Employer Shared Responsibility Payment	-	\$0	-	\$0
Change in Gross Wages to Compensate for Benefits	-	\$0	-	\$0
<b>Total Employer Cost</b>	<b>\$140,400</b>	<b>\$8,010</b>	<b>\$159,600</b>	<b>\$9,708</b>
<b>Employee Impact</b>				
Employee Premium Contribution Costs	\$104,700	-	\$126,900	-
Projected Employee Gross Premiums*	-	\$155,618	-	\$178,941
Projected Government Subsidies	-	\$99,056	-	\$105,690
Change in Gross Wages to Compensate for Benefits	-	\$0	-	\$0
Projected Payroll Tax Increase	-	\$26,175	-	\$31,725
<b>Total Employee Cost</b>	<b>\$104,700</b>	<b>\$82,737</b>	<b>\$126,900</b>	<b>\$104,976</b>

\* Projected Employee Gross Premiums are based on the second lowest cost metal level plan closest in AV to the Company Group plan for each employee.

\*\*Medicare eligible employees are not included in these values.

**Government Money Refused by Employer**  
**\$105,690**

*This is the total of Premium Tax Credits that could be paid to your employees by the Federal Government if your company sponsored group plan was not in place*

## Employee Impact

*This section of the Insight Catalyst Report examines the impact of Healthcare Reform on your employees. Access to affordable employer sponsored health coverage can affect your employees dramatically – even if they cannot actually afford to participate in the employer sponsored plan. Accordingly, the report will show employee costs and Healthcare Reform options both, if your company group plan is in place, and if it is not.*

### Employee Impact if Group Health Insurance is Offered

*Your group health plan can have a direct negative effect on your employee's eligibility for Premium Tax Credits and Cost Sharing Subsidies available through the Affordable Care Act. Those employees that opt out of, or do not participate fully in your company health plan are affected the most.*

Employees enrolled in company health plan - 42  
 Employees opted out of company health Plan - 6  
 Employees Ineligible for Company health plan - 0

### Subsidy Eligibility Analysis for Waived Employees

*If the health insurance plan offered is considered affordable for an employee, no one in that employee's household will be eligible to receive a Premium Tax Credit, and will have to pay full price for Individual health insurance. The Health Insurance Affordability Threshold is determined by dividing the employee's portion of the lowest cost self-only coverage by 9.5%. Any employee, and their dependents, with a household income greater than the threshold will not be eligible for a Premium Tax Credit.*

Annualized Employee Cost for Self-Only Coverage under the company group health plan  
 \$1,200

Max household income to qualify for an Individual Premium Tax Credit  
 \$12,632

*Employees and their dependents with a household income greater than this will not qualify for a Premium Tax Credit or Cost Sharing Subsidy.*

Number of Employees, and their Dependents,  
 NOT ELIGIBLE for a Premium Tax Credit under the Current Group Plan

Waived Employees 4  
 All Employees 44

Number of Employees, and their Dependents,  
 ELIGIBLE for a Premium Tax Credit under the Current Group Plan

Waived Employees 0  
 All Employees 0

Number of Employees Eligible for Medicaid

Employees Not Currently Enrolled in Group Plan 2  
 All Employees 4

## Costs for Employees Not Participating in Group

For comparison purposes, the company group health plan most closely compares to a

### Silver Plan

#### Employees Not Eligible for Premium Subsidy

These employees are not participating in the company group health plan, and are NOT eligible for a Premium Tax Credit because the company group health plan is considered affordable for them.

	# of Employees	Bronze	Silver	Gold	Platinum
Self Only	4	\$186	\$223	\$251	\$362
Couple	1	\$342	\$410	\$454	\$666
Parent	0	-	-	-	-
Family	1	\$534	\$640	\$708	\$1,152

#### Employees Eligible for a Premium Subsidy

These employees are not participating in the company group health plan, and ARE eligible for a Premium Tax Credit because the company group health plan is not considered affordable for them.

	# of Employees	Bronze	Silver	Gold	Platinum
Self Only	0	-	-	-	-
Couple	0	-	-	-	-
Parent	0	-	-	-	-
Family	0	-	-	-	-

## Costs for All Employees

#### Employees Not Eligible for Premium Subsidy

These employees ARE NOT eligible for a Premium Tax Credit because the company group health plan is considered affordable for them.

	# of Employees	Bronze	Silver	Gold	Platinum
Self Only	37	\$211	\$253	\$286	\$411
Couple	5	\$349	\$417	\$469	\$679
Parent	3	\$381	\$456	\$536	\$793
Family	3	\$583	\$696	\$771	\$1,254

#### Employees Eligible for a Premium Subsidy

These employees ARE eligible for a Premium Tax Credit because the company group health plan is not considered affordable for them.

	# of Employees	Bronze	Silver	Gold	Platinum
Self Only	0	-	-	-	-
Couple	0	-	-	-	-
Parent	0	-	-	-	-
Family	0	-	-	-	-

Costs shown are an average based on the premium for the second lowest cost Public Marketplace plan in each metal level for each employee.



## Employee Impact if Group Health Insurance is NOT Offered

*Dropping your group health plan will have a direct effect upon your employee's eligibility for Premium Tax Credits and Cost Sharing subsidies available through the Affordable Care Act. Following is a summary of that effect.*

### Average Cost of Individual Insurance by Subsidy Size – All Employees

FPL %	Subsidy Grouping	# of Emp.	Bronze	Silver	Gold	Platinum
	Medicaid	4	N/A	N/A	N/A	N/A
Under 100	Full Premium	1	\$707	\$858	\$1,028	\$1,117
100-150	Very Large Subsidy	4	\$413	\$538	\$676	\$739
150-200	Large Subsidy	38	\$101	\$171	\$244	\$275
200-250	Moderate / small sub	5	\$165	\$215	\$265	\$278
300-400	Small / no subsidy	0	-	-	-	-
400+	Full Premium	0	-	-	-	-

### Average Cost of Individual Health Insurance by Family Status

	# of Employees	Bronze	Silver	Gold	Platinum
<b>Employee Only</b>	37	\$105	\$166	\$228	\$252
<b>Couples</b>	5	\$184	\$288	\$393	\$426
<b>Single Parent</b>	3	\$353	\$457	\$576	\$656
<b>Family</b>	3	\$384	\$546	\$731	\$829

### Cost Sharing Subsidies

*In addition to premium subsidies, families and individuals with a household income below 250% of the Federal Poverty Level qualify for a Cost Sharing Subsidy. This subsidy adjusts the structure of the silver plans that would normally pay approximately 70% of the medical expenses.*

% of FPL	Silver Plan Adjustment	Single OOP Max	Family OOP Max	Eligible Employees
100% - 150%	Pays 94%	\$2,117	\$4,233	4
151% - 200%	Pays 87%	\$2,117	\$4,233	38
201% - 250%	Pays 73%	\$5,080	\$10,160	5

*Costs shown are an average based on the premium for the second lowest cost Public Marketplace plan in each metal level for each employee.*

### Bronze Health Plan at Zero Cost

*Since Premium Subsidies are based on the cost of a silver plan, and bronze plans could cost less, it is possible that some employees could qualify for a Bronze Plan at no cost after their Premium Tax Credit.*

**11 Employees Qualify for at Least One Zero Cost Bronze Plan**

## Employee Impact if Group Health Insurance is NOT Offered Alternate Scenario - No Spousal Income

The information in this section is based on subsidy calculations that do not include the assumed spousal income. These values are based on employee income alone.

### Average Cost of Individual Insurance by Subsidy Size – All Employees

FPL %	Subsidy Grouping	# of Emp.	Bronze	Silver	Gold	Platinum
	Medicaid	4	N/A	N/A	N/A	N/A
Under 100	Full Premium	1	\$707	\$858	\$1,028	\$1,117
100-150	Very Large Subsidy	4	\$413	\$538	\$676	\$739
150-200	Large Subsidy	38	\$101	\$171	\$244	\$275
200-250	Moderate / small sub	5	\$165	\$215	\$265	\$278
300-400	Small / no subsidy	0	-	-	-	-
400+	Full Premium	0	-	-	-	-

### Average Cost of Individual Health Insurance by Family Status

	# of Employees	Bronze	Silver	Gold	Platinum
<b>Employee Only</b>	37	\$105	\$166	\$228	\$252
<b>Couples</b>	5	\$184	\$288	\$393	\$426
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<b>Family</b>	3	\$384	\$546	\$731	\$829

Costs shown are an average based on the premium for the second lowest cost Public Marketplace plan in each metal level for each employee.

### Cost Sharing Subsidies

In addition to premium subsidies, families and individuals with a household income below 250% of the Federal Poverty Level qualify for a Cost Sharing Subsidy. This subsidy adjusts the structure of the silver plans that would normally pay approximately 70% of the medical expenses.

% of FPL	Silver Plan Adjustment	Single OOP Max	Family OOP Max	Eligible Employees
100% - 150%	Pays 94%	\$2,117	\$4,233	4
151% - 200%	Pays 87%	\$2,117	\$4,233	38
201% - 250%	Pays 73%	\$5,080	\$10,160	5

### Bronze Health Plan at Zero Cost

Since Premium Subsidies are based on the cost of a silver plan, and bronze plans could cost less, it is possible that some employees could qualify for a Bronze Plan at no cost after their Premium Tax Credit.

11 Employees Qualify for at Least One Zero Cost Bronze Plan

## Affordable Care Act Resources and Reference Information

### Federal Poverty Limit Chart

*Eligibility for the premium subsidies, and other programs available through the Affordable Care Act revolve around household income as a percentage of the Federal Poverty Limit (FPL). The FPL varies based on household size. As the number of people in a household increases, the FPL increases. The chart below shows the FPL for various family sizes in the 48 contiguous states. Hawaii and Alaska each have their own Federal Poverty Limits. The chart also shows FPL-based household income levels for key levels under the Affordable Care Act.*

Household Size	Federal Poverty Limit	133% of FPL	250% of FPL	400% of FPL
1	\$11,490	\$15,282	\$28,725	\$45,960
2	\$15,510	\$20,628	\$38,775	\$62,040
3	\$19,530	\$25,975	\$48,825	\$78,120
4	\$23,550	\$31,322	\$58,875	\$94,200
5	\$27,570	\$36,668	\$68,925	\$110,280
6	\$31,590	\$42,015	\$78,975	\$126,360
7	\$35,610	\$47,361	\$89,025	\$142,440
8	\$39,630	\$52,708	\$99,075	\$158,520

### Improvements to Individual and Small Group Health Plans

Individual health plans will be guaranteed issue.

- No more underwriting – no one can be declined.

All health plans will have at least the government defined 'Essential Health Benefits'.

- ambulatory patient services;
- emergency services;
- hospitalization;
- *maternity and newborn care;*
- *mental health, substance use disorder services, and behavioral health treatment;*
- prescription drugs;
- rehabilitative and habilitative services and devices;
- laboratory services;
- preventive and wellness services and chronic disease management;
- pediatric services, including oral and vision care.

## Health Plan Chart – Metal Levels

Bronze	60% (58% – 62%)
Silver	70% (68% - 72%)
Gold	80% (78% - 82%)
Platinum	90% (88% - 92%)

### Terms & Definitions

#### ***Employer Mandate***

Starting in 2015, for employers with over 100 Full Time Equivalent (FTE) Employees, and in 2016 for employers with between 50 & 100 FTE<sup>2</sup> are required to offer affordable, health insurance to all their Full Time employees, and their dependent children, or pay a monthly “Employer Shared Responsibility Payment” for all but 30 of those Full Time Employees.

*The Employer Mandate is administered and enforced by the IRS & Department of the Treasury.*

#### ***Employer Shared Responsibility Payment***

Large Employers that are subject to the Employer Mandate are required to offer affordable, qualified health insurance to all their Full Time employees, or pay an “Employer Shared Responsibility Payment”.

The Employer Shared Responsibility Payment is sometimes called the Pay or Play Penalty and can be assessed on the employer for two different reasons:

Part A – The \$2,000 per employee penalty.

The employer doesn’t offer affordable, qualified health insurance to his full time employees and their dependent children

Part B - The \$3,000 per employee penalty.

The employer offers health insurance, but it is either not affordable, or not qualified and one or more full time employee receives a Premium Tax Credit . In this case, the employer will only be charge a penalty for those full time employees that actually receive a penalty.

#### ***The Individual Mandate***

Starting in 2014, nearly every person in the US making more than 100% of the Federal Poverty Limit is required to have health qualified health insurance by March 31<sup>st</sup>, or pay a penalty.

#### ***Individual Responsibility Payment***

2014	\$95 per adult (50% for kids) with a cap of \$285 per family, or 1% of income whichever is greater
2015	\$325 per adult (50% for kids) with a cap of \$975 per family, or 2% of income whichever is greater
2016	\$695 per adult (50% for kids) with a cap of \$2085 per family, or 2.5% of income whichever is greater