

Healthcare Reform Implications for Employers

In June 2012, the U.S. Supreme Court upheld the constitutionality of the Patient Protection and Affordable Care Act, clearing the way for the law's implementation. While there are mixed opinions about the law, most [people](#) can agree that changes in the system are necessary. As the largest purchaser of healthcare in America, employers will play a key role in shaping what those changes look like. Below are some resources for you to help you understand the implications for businesses and how you can be a part of solution.

2013 Brings Additional Changes for Employers



Enrollment change: Open enrollment for individual and small business health insurance exchanges begins Oct. 1, 2013. At this point, Georgia will not set up its own health insurance exchange, so the federal government will run it.



Tax implications: Eligible employers providing health coverage will again get a tax credit for up to 35% of their contributions toward employee insurance. After 2013, the tax credit can be up to 50% (35% for non-profits) of an employer's cost if purchased through an exchange.



FSA limits: The amount you can put into a workplace flexible spending account will be capped at \$2,500 compared to the current unlimited cap. FSAs let you set aside tax-free money that can be used to pay for qualified out-of-pocket expenses.



Higher spending cap: Annual limits on how much an insurer will pay for care increases to \$2 million, from \$1.25 million in 2012. The cap goes away entirely in 2014.

What is a Health Insurance Exchange?

As part of the Affordable Care Act, states are required to set up health insurance exchanges, effective January 2014. The health insurance exchanges are meant to be a "one-stop-shop" for individuals and small groups to compare and purchase health insurance, providing side-by-side comparisons of coverage, price, and estimated out-of-pocket expenses. But state participation in the exchanges is not mandatory. Governors are permitted to "opt-out" and let the federal government operate the exchanges. In November, Georgia Governor, Nathan Deal, announced the state will not participate and will default their health insurance exchanges to the federal government.

The availability of affordable insurance is expected to significantly increase the amount of medical care our System and other providers across the country will deliver as more people seek medical attention more often. The amount healthcare professionals are paid by health insurance exchange insurance plans is likely to be less than commercial insurance (e.g. Blue Cross and Blue Shield of Georgia) rates, though the payment rate will vary depending on the insurance plan and healthcare provider.



Employers Must Take An Active Role

To make meaningful changes to the healthcare system, employers must grow beyond being just purchasers of health insurance and take a more active role in employee health. Here are few ways you can start:

- Add a prevention and wellness program to your company
- Educate employees about the benefits – for themselves, their families, your organization, and our community – of living a healthy life and actively managing their health
- Encourage employees to work closely with their primary care doctors to understand chronic conditions to which they are most susceptible to, and develop a realistic path that helps avoid these conditions
- Educate employees about appropriate entry points into the healthcare system (primary care vs. ER), and the importance of early intervention when it comes to health

The solution for each company will be different, but the time to start is now.



We're Here to Help

At Phoebe Putney Health System, we want to be a resource to help you navigate the changes you face as a result of healthcare reform. We know there is a lot of information and it can be difficult to understand what changes mean for you. We're here to help.

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Additional Resources For Employers

- **Kaiser Family Foundation** <http://healthreform.kff.org/>
- **Society For Human Resource Management** <http://www.shrm.org/hrdisciplines/benefits/articles/pages/healthcarereform.aspx>
- **Healthcare.gov** <http://www.healthcare.gov/using-insurance/employers/index.html>
- **Georgia Health Policy Center** <http://healthcarereform.georgia.gov/health-reform-and-you>
- **National Business Group on Health** www.businessgrouphealth.org