

Group size definition change may impact health care decisions in 2016

The implementation of the Affordable Care Act (ACA) in 2010 meant a lot of changes and new opportunities for employers. Since then, benefit managers have worked to identify what the ACA means for their business and what their responsibilities are. In 2016, some benefit managers will face a new challenge: determining whether they meet the new definition of a large or small group. It will take a bit of calculation to make that determination.

Businesses and organizations that employ more than 50 employees have long been considered large groups in the eyes of insurance laws. That will all change as groups renew their benefits throughout 2016, when a small group will be defined as a business with 100 or fewer full-time equivalent employees (FTEEs) nationwide.

Employers will have to base their eligible employee count on “full-time equivalents,” or FTEEs, which take into account seasonal and part-time workers based on the number of hours they work (see example below).

Groups with 51–100 FTEEs who were previously considered large will have to get used to a new set of plan options categorized in four metal tiers. The metal tier terminology signifies a plan’s actuarial value (roughly the average percentage of health care costs the insurer pays).

- B BRONZE:** 60% actuarial value (similar to existing high-deductible health plans)
- S SILVER:** 70% actuarial value (similar to existing high-deductible health plans)
- G GOLD:** 80% actuarial value
- P PLATINUM:** 90% actuarial value (designed with minimal copays or cost sharing)

There are a variety of plans to choose from within the metal tiers. These new plan designs are very comprehensive, offering out-of-network benefits, full or tailored networks and other value-added benefits. Most importantly, more than 60 preventive services are covered with no copayment.

HOW TO DETERMINE GROUP SIZE

- **Current definition in NY:** Group size based on number of eligible employees.
- **2016 definition:** Group size based on FTEEs, including FTEEs across the entire country.

Who’s Full Time?

- **Full-time employees** – For purposes of determining full-time employee status, 130 hours of service in a calendar month is treated as the monthly equivalent of at least 30 hours of service per week.
- **Part-time employees** – Prorated (total hours worked by all part-time employees in a month, divided by 120).
- **Seasonal employees** – Not counted if working only up to 120 days per year.
- **Franchise employees/common ownership** – All employees across the entities are counted in one sum.
- **Temporary agency employees** – Generally counted as an employee of the temporary agency.

Example of FTEE Calculation

Lynn’s Garden Supply has 70 full-time employees who work at least 130 hours per month. It also has 30 part-time employees working a total of 2,400 hours per month, and 10 seasonal employees who work 30 hours per week for the three summer months.

Full-time:	70
Part-time: (2,400 hours per month ÷ 120)	20
+ Seasonal:	n/a
Total FTEEs:	90

Lynn’s Garden Supply will be considered a small group employer in 2016.

Do your homework before choosing a health plan

It’s important for an organization’s health benefits decision maker to consider the full picture when looking at health plans. Not all health care companies are the same. Plus, health insurance can be complex and complicated. That’s why you need more than a plan – you need a partner that’s there to help you, your employees and your community.

What plan provides the best value for your health care dollar?

- Look beyond premiums and deeper into the value-added benefits, copayments, coinsurance and deductibles of the plan options.
- Compare benefits “line by line” to ensure you are getting the benefits your employees need.
- Lower premium plans usually have higher out-of-pocket costs; higher premium plans may offer enhanced services and greater value.
- Check to see if a plan offers resources, tools and programs to help employees take charge of their health.

What is the size and depth of a plan’s provider network?

- The larger the network of providers and specialists, the easier it is for employees to access covered services from their preferred health care providers.
- On the other hand, products with tailored or narrow networks may offer lower premiums, so it’s important to weigh those preferences.

What plan offers the best customer service?

- Pick a plan that understands the local market and has a reputation for excellence in member service and satisfaction so when you have questions, getting answers is easy.
- Third party rankings and customer satisfaction survey results are often a good indication of how satisfied you and your employees will be.

In the end, you don’t have to go it alone. If you have questions or concerns regarding your options, consult with Independent Health or your broker before making your decision.

