

[Q&A]

Businesses along the spectrum of the county's healthcare industry are keeping up work after a recently announced delay of a major part of federal healthcare reform.

The Obama administration said in early July that it would delay until 2015 the Patient Protection and Affordable Care Act's employer mandate, which requires midsize and large businesses to offer health insurance coverage to their workers. That portion of the law was originally scheduled to take effect Jan. 1, but the Treasury Department announced it would delay it a year after hearing from employers about the challenges of its implementation.

The Business Journal's Vita Reed asked four people in the healthcare industry what they're doing, now that full implementation of reform has been delayed. Edited versions of their answers follow.

KAREN NIXON

President, Founder
Nixon Benefits
Newport Beach

The delay of the penalty imposed on large employers if they do not provide adequate and affordable health care coverage has had little to no effect at this stage of implementation. While employers will not face a penalty for not providing coverage in 2014, most employers have already made the necessary adjustments to their benefits program in order to conform to the new rules. For instance, many employers already altered their benefit eligibility to meet the Patient Protection and Affordable Care Act's minimum requirement of 30 hours per week. Unfortunately, this has adversely affected many workers, with reduction in hours and outsourcing jobs.



By delaying the large employer requirement, the administration has provided more time to allow for those employers who are not yet prepared. However, this delay may have created more headaches for underinsured employees.

Part of the delay includes the requirement on employers to report to the IRS, detailing if their coverage meets the required guidelines. This reporting is intended to assist the IRS in determining which individuals may be eligible to receive a subsidy. If an employee is not covered by affordable or adequate coverage, then he or she may qualify for premium assistance. But since this reporting requirement has been delayed, it will be more difficult for the IRS to identify those that are eligible for a subsidy and to prevent fraudulent activity.

As benefit consultants and brokers, Nixon Benefits focuses on the issues which affect each of our clients. We have increased our Compliance Department, as well as expanded the number of attorneys and CPAs with whom we partner. Much time is spent preparing every client and setting the right strategy for each one; no business is alike.