

## What to Tell Your Employees About Health Care Reform

1. **Tell employees ACA is the law of the land and part of massive changes that our whole health care system is going through.** All aspects of health care are going through major change—driven, in part, by health care reform and, in part, by all of the things that are broken about our current system. If you haven't communicated along the way, explain what health care reform law already has done. From expanding coverage to removing limits, ACA has already done a lot.

And yes, the new requirements cost you, the employer, money. You can and should be transparent with employees about what those additional costs are and how you have implemented new requirements so far.

2. **Tell employees what's coming next: Health insurance will soon be a new ball game.** Explain that starting January 1, 2014:
  - *Sick people can get insurance.* Insurance companies will accept everyone who applies for coverage, regardless of health status.
  - *Employers must offer insurance.* Employers with at least 50 employees must provide health care benefits or pay a penalty. Lots of rules are in place to make that health insurance valuable and affordable—or employers pay penalties [in 2015 *bb*].
  - *Everyone must have insurance.* This is the “individual mandate.” Everyone will have to be covered by health insurance or pay a fine; those who can't afford insurance will be eligible for assistance.
  - *There are lots of other new requirements that place more burden and costs on employers.* You can bore your employees with the communications requirements, reporting requirements and new fees. But, chances are, this is more detail than they want or need. You can also explain the penalties, if they will have a big impact on your company. Overwhelming employees with details is not important; clearly explaining the impact to your company is. If you can use real cost figures, even better.

3. **Tell them a lot about the exchanges.** Any health care reform information you should include a simple-to-understand explanation about public health care exchanges. Although you aren't required to do this until October 1 (when you must get the official notice out), waiting that long is going to create a headache for you, your HR team and your employees.

*First, explain what the health exchanges are*—a marketplace where people can easily buy health insurance. Be sure to tell employees where they can get additional information and guidance – see [www.healthcare.gov](http://www.healthcare.gov)

*Second, explain the government subsidies* and what makes someone eligible or—in the case of most of your employees—ineligible for a subsidy. Covered California is already up with a simple cost modeler – see [www.CoveredCA.com](http://www.CoveredCA.com)

*Then, give clear direction to employees about what they should do.* This direction and guidance really depends on your employee population and your benefit strategy. Here are the most common examples:

**Is 2014 business as usual as far as eligibility and coverage?** This is the case for most of our clients, and chances are you offer good coverage that meets all the requirements. That means your employees aren't eligible for a subsidy, and the main message is easy: Your benefits are the best deal in town, you don't need to do anything outside the usual enrollment period.

**Will the exchanges be a good thing for a segment of your employees?** You may have a part-time workforce, seasonal employees, summer interns, pre-65 retirees, or temporary workers who don't qualify for your health plan but whose engagement is important to you. If that's the case, you'll want to direct them to the exchanges and show them how the subsidy works.

**Could families benefit from the exchanges?** If you minimally subsidize family coverage or simply don't offer it, you've faced tough questions in the past. It's a careful dance, no doubt. Likely, you'll still meet the legal requirements of offering affordable care, but some employees may feel the pinch.

**Will some of your employees be eligible for a subsidy?** If your workforce includes employees whose income levels would qualify them for tax subsidies emphasize the importance and availability of public health care exchanges.

*This was an excerpt of the full article and was edited for brevity. To read the full blog, visit <http://benzcommunications.com>*

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