**

***AFFORDABLE CARE ACT (ACA) FACT SHEET***

1. **What is ACA?**

The Patient Protection and Affordable Care Act (PPACA) – also known as the Affordable Care Act or **ACA**, and generally referred to as Obamacare is the name for the comprehensive health care reform law and its amendments. The law addresses health insurance coverage, health care costs, and preventive care. The law was enacted in two parts: The Patient Protection and Affordable Care Act was signed into law on March 23, 2010 and was amended by the Health Care and Education Reconciliation Act on March 30, 2010.

1. **What is the main goal of ACA?**

The Affordable Care Act (ACA) has three primary goals: expand access to health insurance, protect patients against arbitrary actions by insurance companies, and reduce costs.

1. **What is the purpose of ACA?**

The purpose of the Affordable Care Act, or ACA, is to make health insurance more affordable for those with little or no coverage.

1. **How does ACA impact ASU?**

The Affordable Care Act’s “shared responsibility” provisions (also referred to as the “employer mandate” or “play or pay”) generally require that “applicable large employers” or ALEs (those with 50 or more full-time employees working at least 30 hours per week) offer insurance to full-time employees that meets the ACA's specifications or pay a fine.

Self-Insured Group Health Plans: The plan sponsor is liable, for paying reinsurance fees or administrative-services-only (ASO) contractor may pay the fee at the plan’s direction. The Department of Labor (DOL) has advised that paying reinsurance fees constitute a permissible expense of the plan under ERISA because the payment is required by the plan under the ACA.

1. **How does ACA impact ASU financially?**

The ACA provisions have a direct and indirect impact on employers and on the cost of their health plans. These provisions include benefit mandates such as coverage for adult-children up to age 26 as dependents; offering affordable coverage to part-time and seasonal employees; and the requirement for employers to cover 100 percent of a growing list of preventive services. Other direct ACA costs include the Patient Centered Outcomes Research Institute fee (2017- $2009.11, the Transitional Reinsurance fee (2016- $24,909.30), and general ACA implementation and administrative costs associated with IRS reporting requirements.

Indirect ACA costs that affect employers include new supply-chain taxes that are passed on to employers, such as the medical device tax, the annual fee on the manufacturers and importers of brand-name drugs, and the health insurer tax for fully-insured plans. The risk-adjustment assessment applies to small employers who are fully-insured. Direct and indirect ACA provisions likely increased the cost of employer-sponsored health benefits by 5.8 percent in 2016.

1. **What are the penalties for non-compliance of ACA?**

Employers with 50 or more full-time employees or part-time equivalents that ***do not offer coverage to their full-time employees*** face a penalty of $2,000 times the total number of full-time employees (minus 30) if at least one full-time employee receives a premium tax credit/subsidy to purchase coverage through a government-run (public) health insurance exchange established under the ACA.

1. **Are Employers’ required to do any reporting?**

Employers must report the value of the benefits on each employee’s annual Form W-2 beginning with the calendar year 2012 forms. Under the ACA, large employers are required to report information about health plans offered to fulltime employees in order for the IRS to administer the employer responsibility provisions and premium tax credits. Employers sponsoring self-insured health plans are also required to submit information regarding minimum essential coverage in order for the IRS to administer the minimum essential coverage requirement.

Statement to individuals: The reporting entity must also report certain information to the “responsible individual” (typically the primary insured or employee) including policy number, contact information for the reporting entity, and the information to be reported to the IRS (Form 1095C).