

AP



3 THINGS SMALL BUSINESSES MUST DO FOR HEALTH CARE

By [JOYCE M. ROSENBERG](#)
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In this Tuesday, Sept. 24, 2013, photo, Sandi Webster, owner of Consultants 2 Go, poses for The Associated Press in her office in Newark, N.J. Webster is getting help from her broker to understand how the Affordable Care Act will affect her company. (AP Photo/Julio Cortez)



In this Tuesday, Sept. 24, 2013, photo, Sandi Webster, owner of Consultants 2 Go, poses for The Associated Press in her office in Newark, N.J. Webster is getting help from her broker to understand how the Affordable Care Act will affect her company. (AP Photo/Julio Cortez)

NEW YORK (AP) — A critical date is approaching for small business owners: Starting Oct. 1, they must make decisions about employee health insurance under the Affordable Care Act.

All companies have obligations under the ACA, no matter how many workers they have or whether they plan to provide insurance. They must provide information about insurance to employees. They need to think about what kind of insurance to provide, and whether to get it through a broker or to use the state or federal exchanges known as SHOP, or the Small Business Health Insurance Options Program.

Many owners are still in the dark. Tim Finnell, an employee benefits broker and consultant in Memphis, sees that when he holds seminars for small business owners. One last week drew 200 people.

"The average person doesn't know what's going on," says Finnell, president of Group Benefits LLC.

Many owners also have incorrect information, says Matt Thomas, president of Worksmart Systems, an Indianapolis-based company that provides human resources services. Many believe that the Obama administration's decision to give companies a reprieve from paperwork requirements until 2015 means they don't have to comply with the rest of the ACA. That's not true.

Here are three things that small businesses should be doing now:

GET UP TO SPEED

Owners need a basic understanding of the ACA, know what's required and get familiar with the insurance plans in their states.

"They need to understand the exchanges, the difference between individual exchanges and the SHOP," says Lisa Keith, president of Princeton HR Solutions in Princeton, N.J. "They need to understand minimum value (the government's definition of affordable insurance).

There are online resources, including the federal government's ACA website, <http://business.usa.gov/healthcare>, and the Small Business Administration's, www.sba.gov/healthcare.

States also have websites but not all are fully functional yet. All are supposed to be operating on Oct. 1.

Owners should learn about the tax impact of the ACA. For example, there are tax credits available to some companies that buy insurance through the exchanges.

The education process shouldn't stop Jan. 1. Owners should keep up with changes to the law that may continue into next year, says Bill Norwalk, a tax accountant at Sensiba San Filippo LLP in Pleasanton, Calif.

GET HELP

The ACA is complex and has spawned thousands of pages of regulations. Owners should get help from a professional, whether it's an insurance broker, benefits consultant or an attorney who specializes in health care law.

"There's absolutely no way that an employer of any size, with the continuing moving parts, can know all of it," says Nancy Thompson, a vice president with CBIZ Benefits & Insurance Services in Columbia, Md.

"Employers need to be with someone that is strategically working with clients to help them navigate it."

The law has many details and nuances, says Vince Ashton, CEO of HealthPass New York, a private health insurance exchange for small businesses. For example, one benefit that insurance plans must offer is children's dental insurance. But most medical plans won't include it, and owners should buy a separate policy, Ashton says.

His recommendation: Talk to a broker.

"They're going to know what the different (insurance) carriers are doing, how they're changing their plans, what benefits are changing, how benefits are changing," Ashton says.

Sandi Webster, owner of a marketing consultancy in Newark, N.J., doesn't have the time to navigate the ACA.

"We have to marshal outside forces to help us figure it out," says Webster, owner of Consultants 2 Go.

COMMUNICATE WITH WORKERS

The ACA requires employers to give workers information about health insurance options. But owners should also keep staffers in the loop about the company's plans.

By Oct. 1, employers must give each worker what's called a Notice to Employees of Coverage Options. They must do so whether or not they offer health insurance, and whether or not they will be required to provide insurance under the law. The notice gives workers information about exchanges and current and future health benefits provided by their employers. It also lists the dependents of each worker who is covered.

The Department of Labor has a model for the notice at its website, www.dol.gov/ebsa/healthreform. Health insurance brokers and benefits consultants can help owners create their own notices.

Owners who plan to cover employees also must give them a Summary of Benefits Coverage by the start date for their policies.

Employees will have questions. Owners might want to bring in an expert to talk to workers.

"We're having our brokers come in and sit with everyone and make sure they fully understand where everyone's going," says Brent Brandow, an owner of Parkway SleepHealth Centers, a Cary, N.C., company that diagnoses and treats sleep disorders.

Owners should be prepared to explain, and perhaps defend, their decisions to not provide insurance, particularly for part-time workers. Employers subject to the law don't have to provide coverage for anyone working fewer than 30 hours a week.

They may need to say that the business can't afford to cover everyone, says Rob Wilson, CEO of Employco, a Chicago-based provider of human resources services.

"You need to have an open dialogue about the state of the company."