

# **The Applicability of the Patient Protection and Affordable Care Act to Business Owners**

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**December 10, 2014**



“In my many years, I have come to the conclusion that one useless man is a shame, two is a LAW FIRM, and three or more is a congress.”

President John Adams  
(1797-1801)

# Tennessee Client Industries

Healthcare Providers

Restaurants

Manufacturers

Retail

Staffing Companies



# The Patient Protection And Affordable Care Act



## What Is The PPACA?

- A United States federal statute signed into law by President Barack Obama on March 23, 2010
- Represents the most significant regulatory overhaul of the U.S. healthcare system since the passage of Medicare and Medicaid in 1965

# What Are The Major Goals Of The PPACA?

- Increase quality and affordability of health insurance
- Reduce costs of healthcare for individuals and the government
- Lower the uninsured rate by expanding public and private insurance coverage

# Does The PPACA Apply To You?

- The PPACA applies to large employers who have 50 or more full-time equivalent employees during the preceding calendar year



# Who Is A Full-Time Equivalent Employee?

- Those working 30 or more hours per week or 130 hours per month, including vacation and paid leave of absence
- The hours of part-time workers are included
- Who does not count as a FTE?



# What Must You Provide?

- Affordable coverage at a minimum value



# Affordability Safe Harbor Provisions

- Employee contributions for coverage cannot exceed 9.5% of an employee's household income
- Three safe harbor methods for determining affordability

# What Happens If You Don't Comply?

- Plan Year 2015
- Plan Year 2016

Sun	Mon	Tue	Wed	Thur	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

# What Are The Penalties?

**No Coverage =**  
 $\$2,000 \times \# \text{ of FTEs} - \text{first } 30$

**Non-Affordable Coverage =**  
Above **or**  $\$3,000 \times \# \text{ FTEs}$  who  
receives federal subsidy

# Circumstances Where There Is No Penalty

- No penalty for failure to offer spousal coverage
- But dependent coverage must be offered in 2016



# Whistleblower Protection

Section 1558 of the PPACA prohibits retaliation against employees who provide information that the employee believes to be a violation of Title I of the PPACA



# What About Small Employers?

- Small Business Health Options Programs, a/k/a SHOP Exchanges
- Tax credit for small employers



# Reasonable Breaks for Nursing Mothers

- Applies to all employers covered under the Fair Labor Standards Act
- Must offer “reasonable breaks” for nursing mothers





# Strategies for Compliance



# Questions?





# THANK YOU

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**This information presented is not legal advice about specific issues or questions. It is for educational and informational purposes only. If you need legal advice or more information about the information presented, please contact Laura Anthony at (404) 582-8465 or [Anthony@elarbeethompson.com](mailto:Anthony@elarbeethompson.com).**