

Affordable Care Act (ACA) Compliance Review Program

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Bureau

Affordable Care Act

- Enacted in 2010 to ensure that all individuals have access to quality and affordable health care. It has several provisions that impact the State of California:
 - W-2 reporting on the cost of employer-sponsored health coverage (2013)
 - Health Insurance Marketplace Coverage Options Notice Requirements (2013)
 - Employer Summary of Benefits and Coverage Notice (2014)
 - Employer Shared Responsibility Provisions (2015)
 - More to come

Employer Shared Responsibility Provisions

- Effective January 1, 2015, the state is required to offer “affordable” health coverage that provides “minimum value” to 70 percent of its full-time employees, and their dependent children, to avoid a penalty assessment (95 percent in 2016 and beyond).

Employer Shared Responsibility Provisions

- Failure to comply could result in significant penalties if at least one full-time employee receives a premium tax credit for purchasing individual coverage through Covered CA.
 - **Penalty A**—\$2,000 annual penalty for each full-time employee if the state fails to offer health coverage to at least 70 percent of its full-time employees in 2015 (95 percent in 2016 and beyond).
 - **Penalty B**—Even if the state offers health coverage to at least 70 percent of its full-time employees, a penalty of \$3,000 may apply if the health coverage was “unaffordable” or failed to provide “minimum value.”

Employer Shared Responsibility Provisions

- The state is required to file annual reports with the IRS, beginning early 2016, with information on the health coverage that was offered to its full-time employees and their dependent children in 2015.
- The state is required to provide annual statements to its full-time employees, by January 31, 2016, with information on the health coverage that was offered in 2015.

ACAS Database

- SCO developed the ACAS database (ACAS) that departments are using to capture various health benefit status information on employees the state will use to report to IRS.
- Departments are responsible for accurate and timely entry of health benefit status information in the ACAS.
- The integrity of the data captured in the ACAS is critical to the state's compliance.

What is the ACA Compliance Program?

- A partnership between CalHR, SCO and State Departments to:
 - Ensure ACA compliance
 - Mitigate financial penalties
- ACA Compliance program consists of two levels of review:
 - Monthly departmental review
 - Quarterly review by CalHR



Quality is everyone's responsibility.

W. Edwards Deming

Objective

- The ACA Compliance Program exists to:
 - Assist and support departments' ACA compliance efforts
 - Proactively identify and correct data deficiencies in ACAS
 - Ensure the integrity of data in the ACAS
 - Ensure the accuracy of annual reporting to state employees and IRS

How Does It Work?

- A structured 5-step process where we all play a role



Step 1 – ACAS Database Training and User Support

- **Departments:**
 - Ensure appropriate staff complete mandatory online training
 - ACA Overview Video
 - ACA Database Training Module
 - Maintain a list of HR staff that have completed training for post audit by CalHR and SCO



Step 1 – ACAS Database Training and User Support

- Departments:
 - ACA Training Tool Kit
 - Emulator
 - ACAS User Guide
 - ACAS Database Employee Benefit Transaction Worksheet
 - Scenario-Based Job Aid
 - Contact ACA Online Support for assistance



Step 2 – ACAS Database System Audits

- ACAS contains audit and error messages to prevent data entry errors
- Audit and error messages lead to increased data integrity



Step 3 – Monthly Department Exception Reports

- Departments:
 - Review monthly ACAS Exception Reports on ViewDirect
 - Research and correct any errors in the ACAS
 - Stay current and up-to-date (This is critical, especially at Year End)



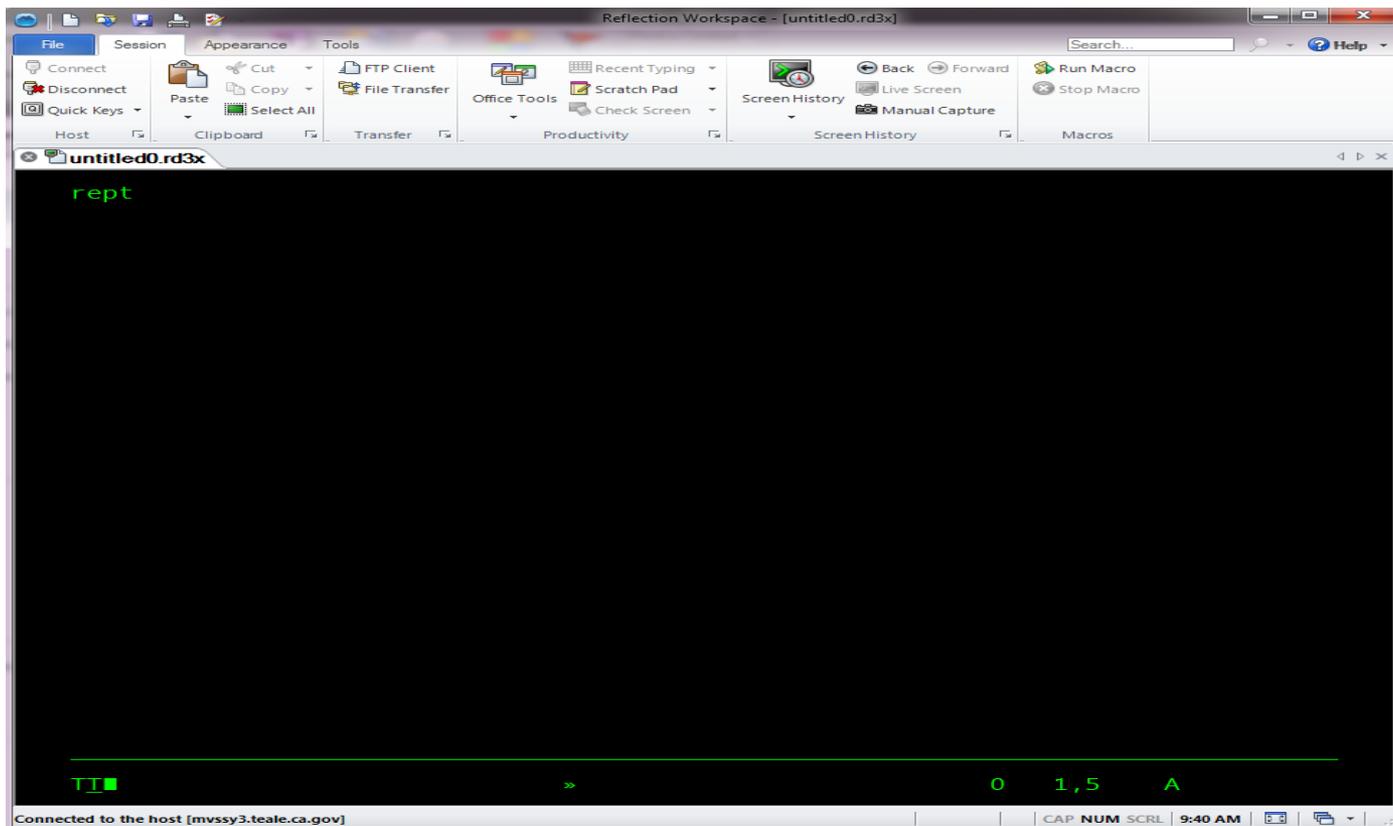
Step 3 – Department Monthly Exception Reports

- 16 Different Exception Reports to be released in 3 phases
 - Phase 1 (5 Reports, released May 2015)
 - Employees with No ACAS Transaction
 - Employees with No Health Coverage Notice Date
 - Employees with No Offer of Coverage
 - Employees with an Offer but No Accept or Decline
 - Permanently Separated Employees with No Cancellation

Step 3 – Department Monthly Exception Reports

- Phase 2 (Scheduled for release July 2015)
 - Reports will compare employee group with appropriate health status code
 - Example: T/INT employees with a health status code other than Not Eligible
- Phase 3 (Scheduled for release September 2015)
 - Reports will compare health status code information with payroll information
 - Example: Employee with an Accepted health status code, but no health deduction

Step 3 – Department Monthly Exception Reports on ViewDirect



Step 3 – Department Monthly Exception Reports on ViewDirect

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Connect Disconnect Quick Keys Host Clipboard Transfer Productivity Screen History Macros
Cut Copy Select All Paste FTP Client File Transfer Office Tools Scratch Pad Check Screen Recent Typing Back Forward Run Macro Stop Macro
Live Screen Manual Capture

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COMMAND ==>                                     TIME: 094206
*** ViewDirect ***
VIEWING MENU
RECIPIENT ID: PDTMM                               VERSION: 6.6
                                                TAPE VOLSER: 140317
ACCESS OPTIONS:  R (R/T)                        R=REPORT
                                                T=TOPIC
REPORT/TOPIC/QUEUE ID: _____
VERSION: _____
SECTION: _____
DISPLAY LIST OF REPORTS/TOPICS: YES (YES/NO)
DISPLAY LIST OF VERSIONS: YES (YES/NO)
DISPLAY SECTION INDEX: YES (YES/NO)
PF01=HELP    PF02=PRINT    PF03=END    PF04=MENU    PF05=RFIND    PF06=MARK
PF07=UP      PF08=DOWN    PF09=      PF10=LEFT   PF11=RIGHT   PF12=QUIT
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Step 3 – Department Monthly Exception Reports on ViewDirect

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0725I-BEGINNING OF REPORTS 0726I-END OF REPORTS
COMMAND ==> TIME: 094328
*** REPORTS ***

OPTION	REPORT ID	REPORT NAME
—	@DDRINT	(VDR) DDRINT INFO
—	@VDRCMD	(VDR) VDR COMMANDS
—	@VDRRPTL	(VDR) VDR REPORT LIST
—	@VDRTPCL	(VDR) VDR TOPIC LIST
—	@VDRUSER	(VDR) VDR USER/PRINTER INSTRUCTIONS
S	PDA2050A	(PPS) EE WITHOUT HEALTH COVERAGE NOTICE DATE
—	PDA2050B	(PPS) EE PERM SEP W/O HEALTH BENEFIT CANCELLATION (5D)
—	PDA2050C	(PPS) EE WITHOUT ACA STATUS CODE
—	PDA2050D	(PPS) EE WITH 2D WITHOUT HEALTH BENEFIT OFFER
—	PDA2050E	(PPS) EE WITH HEALTH BENEFIT OFFER W/O ACCEPT OR DECLINE

PF01=HELP PF02=PRINT PF03=END PF04=MENU PF05=RFIND PF06=MARK
PF07=UP PF08=DOWN PF09= PF10=LEFT PF11=RIGHT PF12=QUIT

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Step 3 – Department Monthly Exception Reports on ViewDirect

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0727I - BEGINNING OF VERSIONS                                0732I - END OF VERSIONS
COMMAND ==>>> _                                           TIME: 094500
*** REPORT VERSIONS ***

REPORT: PDA2050A (PPS) EE WITHOUT HEALTH COVERAGE NOTICE DATE

OPTION    DATE        TIME        DEVICE    STATUS
-----    -
      S    20150506    112152    DISK     AVAILABLE

PF01=HELP   PF02=PRINT   PF03=END    PF04=MENU   PF05=RFIND   PF06=MARK
PF07=UP     PF08=DOWN   PF09=       PF10=LEFT   PF11=RIGHT   PF12=QUIT

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Step 3 – Department Monthly Exception Reports on ViewDirect

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COMMAND ==> _
PDA2050A 20150506 112152 003
MAY 06, 2015
SCROLL ==> SCREEN
P 1 R 1 C 1
STATE OF CALIFORNIA - STATE CONTROLLER'S
ACA COMPLIANCE REPORTING
EMPLOYEES WITHOUT HEALTH COVERAGE NO
DATA AS OF 04/30/2015
PDA2050A
AGENCY: 003 STATUTORY OFFICERS
-----
SSN LAST NAME FIRST NAME POSITION POSITION N
STATUS
-----
STREETER JON B ACTIVE 003-100-59
WISE NOEL ACTIVE 003-201-99
SANTOS ANITA ACTIVE 003-207-99
CROMPTON CHARLES S ACTIVE 003-238-99
TORPOCO EDWARD A ACTIVE 003-238-99
MAXWELL PAULINE ACTIVE 003-242-99
GEFFON ERIC S ACTIVE 003-243-99
LOZA HUGO J ACTIVE 003-254-99
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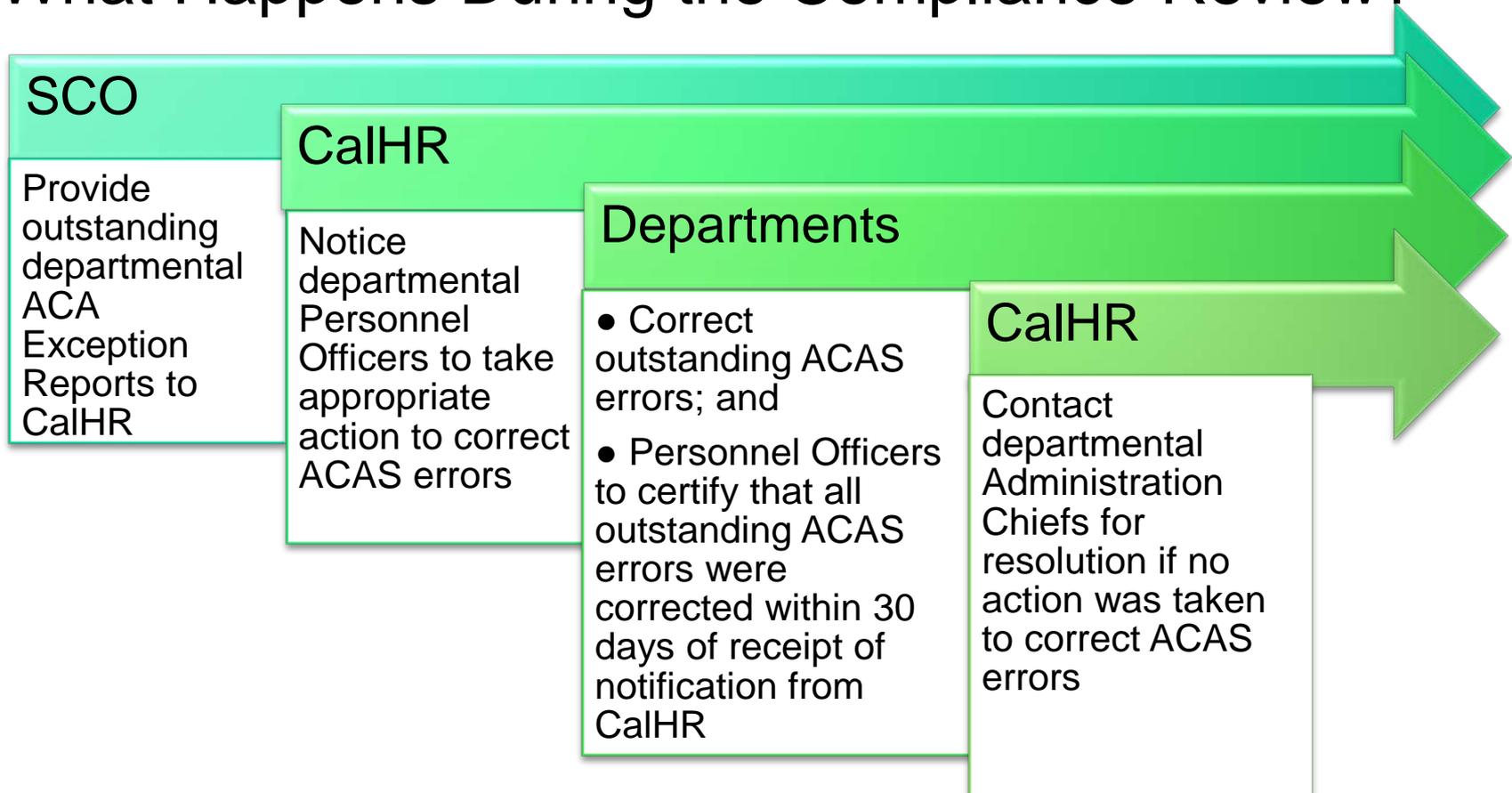
Step 4 – Quarterly Control Agency Compliance Review

- CalHR will conduct a quarterly review of departments outstanding ACAS errors (>90 days)
- CalHR will notice departments to resolve discrepancies within 30 days
- CalHR/SCO will audit ACAS errors at year end.



Step 4 – Quarterly Control Agency Compliance Review

What Happens During the Compliance Review?



Step 5 – Follow Up Review by Control Agencies

- CalHR/SCO may conduct a follow up review to ensure resolution of any issues identified in Quarterly Compliance Reviews.
- Follow up reviews may be more frequent than once a quarter.
- CalHR/SCO may recommend additional training as a result of Quarterly Compliance Reviews.

Step 5 – Follow Up Review by Control Agencies

- CalHR/SCO may review department data more frequently at the end of year to ensure accurate reporting.
 - Example: CalHR and SCO may review departmental exception reports for transactions that have not been corrected after one month rather than two months beginning in November.

It Takes All Of Us to Make ACA Compliance Successful!

Coming together is a beginning, staying together is progress, and working together is success. —Henry Ford



Resources

- Policy

- CalHR

- CalHR PML #2014-038 (Employer Shared Responsibility)
 - CalHR PML #2015-013 (ACA Compliance)
 - Email: ACA.Policy@calhr.ca.gov

- SCO

- SCO Personnel Letter #2015-001 (ACAS Database)
 - SCO Personnel Letter #2015-009 (ACAS Compliance)
 - Email: ACASupport@sco.ca.gov

Resources

- Training Tools/Job Aids

- CalHR

- ACA Training (State HR Professionals Tab)
 - ACA Overview Video
 - ACAS Database Training Module
 - ACAS Training Tool Kit
 - Employee Benefit Transaction Worksheet
- Email: ACA.Training@calhr.ca.gov

- SCO

- ACA Training (eLearning)
 - ACAS User Guide
 - Scenario-based Job Aid
- Email: ACASupport@sco.ca.gov

Questions



Thank You!

