



## HEALTHCARE REFORM IMPACT ON YOUR COMPANY AND EMPLOYEES

For questions regarding and  
to purchase insurance,  
employees must call:

**(545) 548-9999**



## Fish Market

PROVIDED BY:



For more information  
about this report,  
please contact:

**(205) 443-2186**

## EXECUTIVE SUMMARY



## EMPLOYER IMPACT

FishMarket  
is a **Small Employer**

Potential Shared Responsibility Payment\*\*: **No Penalty**

(\*\*For definition, see Addendum, page 7)

## NUMBER OF EMPLOYEES



Full Time  
Employees **48**

Full Time Equivalent  
Employees (FEs) **48**



## ANNUAL HEALTH PLAN COSTS FOR THE EMPLOYER

Cost of Current Plan: **\$265,200**

Cost if No Group Plan in Place (Increase in FICA Taxes): **\$9,708**

Total Savings if Group Plan Dropped: **\$255,492**

## ANNUAL HEALTH PLAN COSTS FOR THE EMPLOYEES



Cost of Current Plan: **\$126,900**

Cost if No Group Plan in Place (Includes Potential Subsidies): **\$114,793**

Total Savings if Group Plan Dropped: **\$12,107**

Number of currently enrolled employees blocked from subsidy eligibility by group plan: **44**

Number of unenrolled employees blocked from subsidy eligibility by group plan: **0**



## TOTAL POTENTIAL SUBSIDY DOLLARS (POTENTIAL PREMIUM REDUCTION)

**\$85,302**

\*See disclosures

This is the total of subsidy dollars that could be paid to your employees by the Federal Government if your company-sponsored group plan was no longer in place.

# IMPACT COST ANALYSIS



## CURRENT ENROLLMENT

**48** out of **48** employees are currently enrolled in the group plan.

	Current Plan/ Current Enrollment	Individual Solution/ Current Enrollment
<b>EMPLOYER IMPACT</b>		
Annual Employer Contribution to Employee Group Premium	\$265,200	-
Projected Increase in Employer FICA	-	\$9,708
Projected Employer Shared Responsibility Payment ** (**For definition, see Addendum, page 7)	-	No Penalty
<b>Total Employer Cost</b>	<b>\$265,200</b>	<b>\$9,708</b>
<b>EMPLOYEE IMPACT</b>		
Annual Employee Premium Contribution Costs	\$126,900	-
Projected Employee Gross Premiums*	-	\$168,370
Total Projected Government Subsidies	-	\$85,302
Projected Payroll Tax Increase	-	\$31,725
<b>Total Employee Cost</b>	<b>\$126,900</b>	<b>\$114,793</b>

\* Projected Employee Gross Premiums are based on the second lowest cost metal level plan closest in AV to the Company group plan for each employee.  
Medicare eligible employees are not included in these values.

\*See disclosures

## CURRENT GROUP PLAN INFORMATION



### GROUP PLAN INFORMATION

#### Baseline Premiums by coverage level

	Self Only	Couple	Single Parent	Family
Employees Enrolled	37	5	3	3
Employees Opted Out	0	0	0	0
Monthly Cost	\$550	\$1,100	\$925	\$1,350
Employer Contribution	\$450	\$550	\$450	\$450
Employee Cost	\$100	\$550	\$475	\$900

Annualized Employee Cost for Self-Only Coverage under the company health plan **\$1,200**

### AFFORDABILITY

An employer sponsored health plan is considered affordable for employees if the employee cost for self only coverage is less than 9.5% of the employee's household income. Based on the employee cost for self only coverage, the company health plan is affordable for any employee with a household income of more than \$12,632.

Since accurate household income is not readily known, affordability information is provided based on W-2 income and estimated household income.

	W-2 Income	Est. Household Income
The group health plan is affordable for	46 employees*	46 employees*
The group health plan is NOT affordable for	0 employees	0 employees

Potential employer shared responsibility payment -

\* These employees are not eligible for a Premium Tax Credit because of the employer's group health plan.

### EMPLOYEES NOT CURRENTLY ENROLLED IN HEALTH PLAN

It is most likely that the only employees who would seek a Premium Tax Credit for an individually purchased health plan while the group health plan is still in place, would be those employees who are not currently enrolled in the company's health plan. The following chart shows affordability information only for those employees NOT currently enrolled in the company's health plan so as to give the company the ability to assess their risk of potentially incurring a penalty should one of these individuals in fact seek a Premium Tax Credit.

	W-2 Income	Est. Household Income
The group health plan is affordable for	0 employees	0 employees
The group health plan is NOT affordable for	0 employees	0 employees

Potential employer shared responsibility payment -

### QUALIFIED COVERAGE

Min Actuarial Value: 60%

Company Plan Actuarial Value: 74%

**Your Health Plan is Qualified Coverage**

\*See disclosures

## EMPLOYEE IMPACT IF GROUP HEALTH INSURANCE IS NOT OFFERED



The information in this section is based on subsidy calculations that do not include the assumed spousal income. These values are based on employee income alone.

### Average Cost of Individual Insurance by Subsidy Size - All Employees

FPL %	Subsidy Grouping	# of Emp.	Bronze	Silver	Gold	Platinum
	Medicaid	2	N/A	N/A	N/A	N/A
Under 100	Full Premium	0	-	-	-	-
100-150	Very Large Subsidy	2	\$486	\$590	\$707	\$769
150-200	Large Subsidy	33	\$176	\$218	\$266	\$342
200-250	Moderate/Small Subsidy	8	\$353	\$438	\$522	\$594
300-400	Small/No Subsidy	5	\$449	\$553	\$658	\$692
400+	Full Premium	0	-	-	-	-

### Average Cost of Individual Health Insurance by Family Status



	# of Emp.	Bronze	Silver	Gold	Platinum
<b>Employee Only</b>	37	\$174	\$216	\$263	\$327
<b>Couples</b>	5	\$449	\$553	\$658	\$692
<b>Single Parent</b>	3	\$421	\$517	\$619	\$741
<b>Family</b>	3	\$631	\$782	\$932	\$1,085

### Cost Sharing Subsidies

In addition to premium subsidies, families and individuals with a household income below 250% of the Federal Poverty Level qualify for a Cost Sharing Subsidy. This subsidy adjusts the structure of the silver plans that would normally pay approximately 70% of the medical expenses.

% of FPL	Silver Plan Adjustment	Single OOP Max	Family OOP Max	Eligible Emp
100-150%	Pays 94%	\$2,117	\$4,233	2
151-200%	Pays 87%	\$2,117	\$4,233	33
201-250%	Pays 73%	\$5,080	\$10,160	8

Costs shown are an average based on the premium for the second lowest cost Public Marketplace plan in each metal level for each employee.

### Bronze Health Plan at Zero Cost

Since Premium Subsidies are based on the cost of a silver plan, and bronze plans could cost less, it is possible that some employees could qualify for a Bronze Plan at no cost after their Premium Tax Credit.

**6** Employees Qualify for at least one Zero Cost Bronze Plan

\*See disclosures



## FEDERAL POVERTY LIMIT CHART

Eligibility for the premium subsidies, and other programs available through the Affordable Care Act revolve around household income as a percentage of the Federal Poverty Limit (FPL). The FPL varies based on household size. As the number of people in a household increases, the FPL increases. The chart below shows the FPL for various family sizes in the 48 contiguous states. Hawaii and Alaska each have their own Federal Poverty Limits. The chart also shows FPL-based household income levels for key levels under the Affordable Care Act.

Household Size	Federal Poverty Limit	133% of FPL	250% of FPL	400% of FPL
1	\$11,670	\$15,521	\$29,175	\$46,680
2	\$15,730	\$20,921	\$39,325	\$62,920
3	\$19,790	\$26,321	\$49,475	\$79,160
4	\$23,850	\$31,721	\$59,625	\$95,400
5	\$27,910	\$37,120	\$69,775	\$111,640
6	\$31,970	\$42,520	\$79,925	\$127,880
7	\$36,030	\$47,920	\$90,075	\$144,120
8	\$40,090	\$53,320	\$100,225	\$160,360

## IMPROVEMENTS TO INDIVIDUAL AND SMALL GROUP HEALTH PLANS



Individual health plans will be guaranteed issue.

» No more underwriting – no one can be declined.

All health plans will have at least the government defined 'Essential Health Benefits'.

- » ambulatory patient services;
- » emergency services;
- » hospitalization;
- » maternity and newborn care;
- » mental health, substance use disorder services, and behavioral health treatment;
- » prescription drugs;
- » rehabilitative and habilitative services and devices;
- » laboratory services;
- » preventive and wellness services and chronic disease management;
- » pediatric services, including oral and vision care.





## ACA METAL TIER LEVELS

<b>BRONZE</b>	<b>60% (58% - 62%)</b>	<b>GOLD</b>	<b>80% (78% - 82%)</b>
<b>SILVER</b>	<b>70% (68% - 72%)</b>	<b>PLATINUM</b>	<b>90% (88% - 92%)</b>

## TERMS AND DEFINITIONS



### EMPLOYER MANDATE

Starting in 2015, employers with over 100 Full Time Equivalent (FTE) Employees, and in 2016 for employers with between 50 and 100 FTE employees, are required to offer affordable health insurance to all their full time employees and their dependent children, or pay a monthly 'Employer Shared Responsibility Payment' for all but 30 of those FTEs. The Employer Mandate is administered and enforced by the IRS and the Department of the Treasury.

### EMPLOYER SHARED RESPONSIBILITY PAYMENT

Large employers that are subject to the Employer Mandate are required to offer affordable, qualified health insurance to all of their FTEs, or pay an 'Employer Shared Responsibility Payment.'

The Employer Shared Responsibility Payment is sometimes called the 'Pay or Play Penalty, and can be assessed on the employer for two different reasons:

#### *Part A – The \$2,000 per employee penalty*

The employer doesn't offer affordable, qualified health insurance to his or her full time employees and their dependent children.

#### *Part B – The \$3,000 per employee penalty*

The employer offers health insurance, but it is either not affordable, or not qualified and one or more fulltime employee received a Premium Tax Credit. In this case, the employer will only be charged a penalty for those full time employees that actually receive a penalty.

### THE INDIVIDUAL MANDATE

Starting in 2014, Nearly every person in the US making more than 100% of the Federal Poverty Limit is required to have health qualified health insurance by March 31st, or pay a penalty.

### INDIVIDUAL RESPONSIBILITY PAYMENT

2014	\$95 per adult (50% for kids) with a cap of \$285 per family, or 1% of income whichever is greater
2015	\$325 per adult (50% for kids) with a cap of \$975 per family, or 2% of income whichever is greater
2016	\$695 per adult (50% for kids) with a cap of \$2085 per family, or 2.5% of income whichever is greater

**LIMITS OF, AND INTENDED USE OF THIS REPORT****DISCLOSURES**

The ACA Insight Catalyst Report is intended to give you a reasonable picture of the combined impact of Healthcare Reform and your company group health plan on your employees by comparing their insurance costs and options while your company's group health plan remains in place with their insurance costs and options if the company's group health plan is terminated. It is hoped that this information, along with general and financial information provided on the impact of Healthcare Reform on the company will widen your view when you approach the question of making adjustments to your company's health plan in response to Healthcare Reform.

The key employee factors examined in this report are your employee's eligibility for, and amount of Premium Tax Credits (subsidies), and the cost of individual and group health insurance available to them. Household income, and family size directly affect your employee's subsidy eligibility while family size and ages directly affect the cost of the individual health insurance they may be forced to purchase on the open market. It is understood that, because information regarding actual employee household income is not available, and family composition for employees may not be complete, the subsidy calculations, health plan costs, and the conclusions drawn from them, cannot be considered entirely accurate.

However, the information used to generate the report includes some built-in assumptions intended to level out some gaps between the information you provide and actual household information. Even with these assumptions the subsidy calculations, health plan costs, and the conclusions drawn from them, should not be considered entirely accurate.

**ASSUMPTIONS****Family Structure**

If an employee's group plan enrollment status indicates a spouse, or dependents, the system will assume a spouse, or dependents, even if no other information is provided. Spouses will be assumed to be the same age as the employee unless otherwise indicated. Since the age of children under 21 does not affect premium, all children will have the same assumed age.

**Spousal Income**

Any employee's spouse, either reported or assumed from group enrollment status, will be assigned a standard income (to include in the employee's household income) of \$30,000.

**Tobacco Usage**

The calculations in this report do not take tobacco use into consideration. Tobacco use by an employee or an employee's dependent can cause an increase in the portion of premium cost of individual health plans associated with that individual.

**Tax Rates**

An average employee payroll tax rate of 25%, and an employer payroll tax rate of 7.65% are assumed.

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