Helping Employees Understand the ACA Individual Mandate as Deadline Looms

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A Gallup survey conducted just this past summer (one year after the Supreme Court upheld the individual mandate under the Affordable Care Act) revealed that almost half of all uninsured Americans were unaware of the requirement to carry health insurance or to pay a fine under the individual mandate in 2014. In a follow-up survey conducted by the Commonwealth Fund from July to September, only 4 in 10 Americans reported being aware of the new health insurance marketplaces opening on October 1, 2013 or the financial assistance available to help people with low or moderate incomes pay their health insurance premiums. In fact, the Commonwealth Fund survey concluded that the people most likely to benefit from the health insurance marketplaces and premium subsidies are often least likely to be aware of them.

All employers to which the Fair Labor Standards Act applies (not just "applicable large employers" under the ACA) were required to distribute health care exchange notices to their employees by October 1, 2013. For 2014, the Department of Labor will consider a notice timely if provided within 14 days of an employee’s start date. In the meantime, the notices likely have sparked many questions from employees to human resources departments regarding the "Marketplaces" and available benefits.

Against this backdrop may be a silver lining in the form of an employee and public relations opportunity. For example, communicating with employees about the individual mandate gives employers an opportunity to explain what coverage their company offers, the value of their benefits and compensation packages and their commitment to employee health and wellness. Colleges and universities may also achieve economies of scale by utilizing the information provided in the healthcare exchange notices to inform students of the individual mandate and the availability of the exchanges. Ultimately, developing an effective communications plan is a critical component of a university employer’s long-term strategy for compliance with the Affordable Care Act and may also encourage compliance by its employees and students.

If you have additional questions about the Affordable Care Act or its implementation, please do not hesitate to contact the author or any member of Waller.