



Mesmer & Deleault, PLLC  
41 Brook Street, Manchester, NH 03104  
Seacoast Office: One New Hampshire Ave., Suite 125  
Portsmouth, NH 03801



## “Tip of the Month”

### January 1, 2016 Update – How the Affordable Care Act Might Affect Your Business

Hard to believe the Patient Protection and Affordable Care Act (“ACA”), also known as Obamacare, has been in effect for five years. Getting the bugs out of the ACA has caused some delays in ACA implementation, but for now, the ACA’s “employer mandate” that requires an employer to provide “affordable” coverage options or face penalties only applies to “large employers” who have more than 50 full-time employees. New Hampshire still defines “small employer” as one with 50 or fewer employees.

Still, if small employers offer health insurance, they must offer coverage that complies with ACA requirements. Small employers cannot, for example, have agreements to reimburse employee premiums for their individual health insurance. Temporarily, small employers in NH with existing plans may get some relief from the transitional guidance issued by the Centers for Medicare and Medicaid Services. This allows renewal of pre-existing insurance plans through October 1, 2016 without meeting ACA requirements.

Small employers establishing new health insurance coverage plans will have to comply with ACA requirements. Small employers relying on the transitional guidance for their existing plans should begin looking for ACA-compliant plans. Compliance will probably result in a change to the employer’s plan rating, that is, the ACA requires (1) per-member rating; and (2) “list billing.”

Under ACA rules, the insurance rate will apply at the subscriber level, including the employee, spouse and dependents, for age and tobacco use. The rates are applied to each individual employee and family, but the employer can still ask that the list-billed rates be converted to a composite rate that does not account for individual ages. This may result in variable insurance rates as employees come on and off the health plan, since the age of each employee affects the insurance rate.

Small employers meeting eligibility rules can buy coverage through the Small Business Health Options Program (SHOP). The SHOP exchange allows employers to offer employees the option to purchase plans from multiple carriers. Purchasing through the SHOP exchange also allows small employers to get ACA tax credits.

In 2016, the New Hampshire SHOP exchange includes four insurance carriers: Anthem, Community Health Options, Harvard Pilgrim, and Minuteman. They all offer coverage in each of the four ACA levels. In the silver level, for example, there are a total of 13 available plans. Enrollment for SHOP plans is open until January 31, 2016.

More help can be found at [www.nh.gov/insurance/consumers/mp\\_plans.htm](http://www.nh.gov/insurance/consumers/mp_plans.htm), and [www.cms.gov/ccio/resources/data-resources/ehb.html](http://www.cms.gov/ccio/resources/data-resources/ehb.html). If you have questions about the ACA health insurance challenge for your business, please do not hesitate to give us a call 668-1971 or contact us by e-mail at *mailbox@biz-patlaw.com*. We are here to help.

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Frank B. Mesmer, Jr.  
Robert R. Deleault  
Ross K. Krutsinger  
Joshua N. Mesmer



(603) 668-1971

Fax (603) 622-1445

E-mail: [mailbox@biz-patlaw.com](mailto:mailbox@biz-patlaw.com)

Website: [www.biz-patlaw.com](http://www.biz-patlaw.com)