



STATE OF IDAHO

March 12, 2015

MEMORANDUM

TO: Agency/Department Heads

CC: Agency/Department HR Officers
Agency/Department Fiscal Officers

FROM: Audrey Musgrave, Deputy State Controller
Division of Statewide Payroll

Amy Johnson, Administrator
Office of Group Insurance

Jani Revier, Administrator
Division of Financial Management

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Division of Human Resources

SUBJECT: Overview of the State of Idaho's Compliance with the Affordable Health Care Act's Employer Mandate

On January 1, 2015 the Affordable Health Care Act's (ACA) employer "shared responsibility" requirement went into effect. This mandate requires large employers with 50 or more full time employees to offer affordable insurance to their "full-time" employees. In addition, employer reporting requirements include information statements to be sent to both the IRS and "full-time" employees on an annual basis. These statements will list all months affordable insurance was offered to each "full-time" employee.

NOTE: Employees who are not considered "full-time" under the ACA will not be reported.

According to the ACA, a “full-time” employee is one who averages 30 hours of service a week or at least 130 hours of service in a month. Hours of service include all hours worked, hours for which an employee is paid but does not work (vacation, sick, holiday, etc.), and certain hours of unpaid leave (FMLA, USERRA, etc.).

Due to the difficulty in administering the coverage offers on a monthly basis, the State of Idaho has elected to use the “look-back measurement method” allowed under the ACA. Agencies should be aware of a potential budgetary impact during the stability period described below.

The **look-back measurement method** is comprised of the following steps:

1. **Look-back Period** - Track each employee’s hours of service over a prior 12 month period.
2. Determine which employees are considered “full-time” under the ACA (averaged 30 hours of service or more during the “look-back period”).

“Full-time” status will be determined each year based on the hours of service in the prior 12 months (look-back period).

3. **Stability Period** – Employees who have been determined “full-time” during the “look-back period” must be offered Tier 1 insurance coverage for the 12 month period directly following the “look-back period”, even if their hours worked changes to less than 30 hours per week.

The State of Idaho will be implementing the ACA requirements in phases over the rest of calendar year 2015. The first two phases will consist of program changes necessary to track who has been offered insurance by tier and to collect all required hours of service in order to determine which employees qualify as “full-time” (look-back period).

The State Controller’s Office will be sending out more detailed information as each phase of the project is completed.

If you have any questions regarding this memorandum, please contact Leslie Mickelsen or Audrey Musgrave at 334-2394.

NOTE from the Division of Financial Management:

Potential Budgetary Impact:

Again, agencies should be aware that employees who are determined “full-time” during the “look-back period” **must** be covered in Tier 1 insurance coverage through the “stability period” (the 12 month period following the look-back) even if their hours worked change to less than 30 hours per week. **Therefore, the agency must continue to pay the Tier 1 employer share of the insurance cost during this time frame.**

For more information on possible budgetary impacts, please contact your DFM Analyst.