

Project Charter (05-01-14)

Patient Protection and Affordable Care Act (PPACA) Employer Shared Responsibility Provisions (“Play or Pay”)

November 2013 – December 2016 (Ongoing requirement)

PROJECT SPONSOR

Mary Fliss, Deputy Division Director, PEB Division
Washington State Health Care Authority (HCA)



Signature

date *May 6, 2014*

PROJECT LEADS

James Koch, Medical Program Specialist, PEB Division
Washington State Health Care Authority (HCA)

Barbara Scott, Policy & Rules Manager, PEB Division
Washington State Health Care Authority (HCA)

PROJECT TEAMS

Project Lead & Coordination
Information Technology (IT)
Operations: Outreach & Training
Operations: PEB Customer Service & Communications
Finance/Accounting
Legal Requirements
State Payroll Systems
Stakeholders

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Overview

Background

Beginning in 2015, “large employers” face potential penalty taxes under the Patient Protection and Affordable Care Act (PPACA) under Internal Revenue Code (IRC) 4980H.

Generally, a payment is assessed if a large employer either does not offer minimum essential coverage to its full-time employees (and their dependents), or the coverage offered is not affordable or does not provide minimum value, and one or more of the full-time employees receive a premium tax credit for purchase of coverage on an Affordable Insurance Exchange (Exchange).

Under PPACA, employees who work 130 hours in a month are considered “full-time.” And, hours of service must reflect all hours of service for all State of Washington employment.

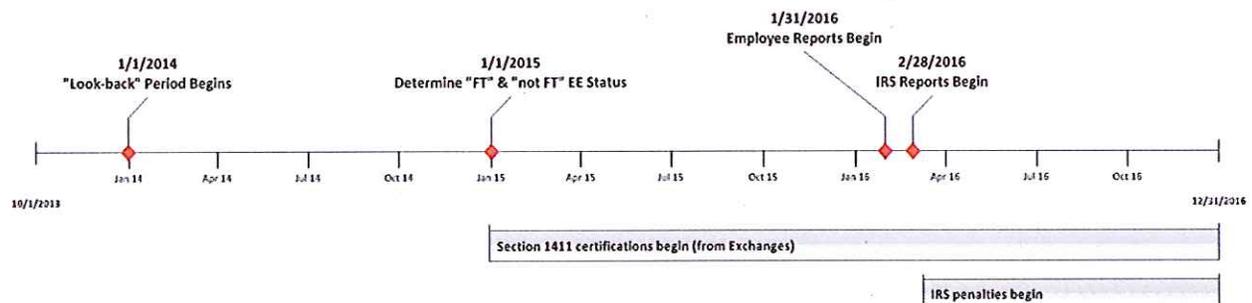
Business Need

To comply with PPACA, an applicable large employer (i.e. State of Washington) must annually report certain information on employer-provided health coverage to both “full-time” employees and the Internal Revenue Service (IRS). Reports will show whether the employer is potentially liable for penalties. Reports are due beginning January 31, 2016 for the 2015 calendar year. Systems to create employee statements and IRS reports must be in place in advance of reporting deadlines, and the funding source of §4980H penalties must be identified.

Project Objectives

1. Create systems to support timely and accurate reporting to both “full-time” employees and the IRS, according to IRC §6055 and IRC §6056.
2. Develop and manage processes to respond to IRC §4980H penalty assessments and payments.

Project Timeframe



Project Teams

Project Lead & Coordination

Key responsibilities include:

- Facilitation of (or participation in) project teams
- Monitor and analyze ongoing federal and state regulations, rules, policies and guidance
- Establish and implement strategies to meet “key project objectives”
- Communicate with stakeholder groups

Name	Area of Expertise
James Koch, Owner	PEBB / “Play or Pay” Regulations
Mary Fliss	PEBB / “Play or Pay” Regulations
Barb Scott	PEBB / “Play or Pay” Regulations

Information Technology (IT)

Key responsibilities include:

- Inform project teams of IT capabilities and limitations
- Coordinate inbound and outbound data interfaces
- Modify and maintain information systems as needed (e.g. PAY1, Oracle, SWHRDB)
- Produce ad hoc reports as needed to support project
- Develop and maintain systems necessary to produce “full-time” employee and IRS reports

Name	Area of Expertise
Romeo Solis, Owner	HCA Information Services
Stephanie Yeager	HCA Information Services
Pam Johnson	SWHRDB Interface to HCA

Operations: Outreach & Training

Key responsibilities include:

- Represent the needs of their Pers/Pay constituents
- Liaison with Pers/Pay staff (communication, training, guidance, support)
- Participate in all Pers/Pay stakeholder activities
- Review all project deliverables

Name	Area of Expertise
Amy Corrigan, Owner	PEB Division Outreach & Training
Curriculum Writer	PEB Division Outreach & Training

Operations: PEB Customer Service & Communications

Responsibilities include:

- Develop employee communications (as identified)
- Develop FAQs to support employee statements

Name	Area of Expertise
Renee Bourbeau, Owner	PEB Division Operations
Michelle George	PEB Division Communications

Finance/Accounting

Key responsibilities include:

- Estimate budget impacts of “Play or Pay” penalties as needed
- Determine source of funds for “Play or Pay” penalties (e.g. state level, agency level)

Name	Area of Expertise
Janice Baumgardt, Owner	Budget Administration
Deanna Kehr	Accounting Administration

Legal Requirements

Key responsibilities include:

- Support project with legal analysis as needed
- Support formal designation of reporting responsibility as required

Name	Area of Expertise
Dave Iseminger, Owner	Legal and Administrative Services
Michael Callahan	Legal and Administrative Services
Melissa Burke-Cain	Attorney General’s Office

State Payroll Systems (see roster of all group members)

Key responsibilities include:

- Ensure payroll system reporting capability for “ACA Employee Status Code”
- Ensure payroll system can provide needed information to accommodate project objectives and modify as needed.

Name (Key Contact)	Area of Expertise
James Koch, HCA, Owner	PEBB / “Play or Pay” Regulations
Steve Nielson, OFM	HRMS Payroll System
Nicole Dobson, DES	HRMS Payroll System
Katy Dwyer	UW Payroll System
Ann Monroe	WSU Payroll System
Janis Bliss	EWU Payroll System
Traci Klein	CWU Payroll System
Sarah Crawford	WWU Payroll System
Ladonna Herigstad	Evergreen Payroll System
John Boesenberg	SBCTC Payroll System

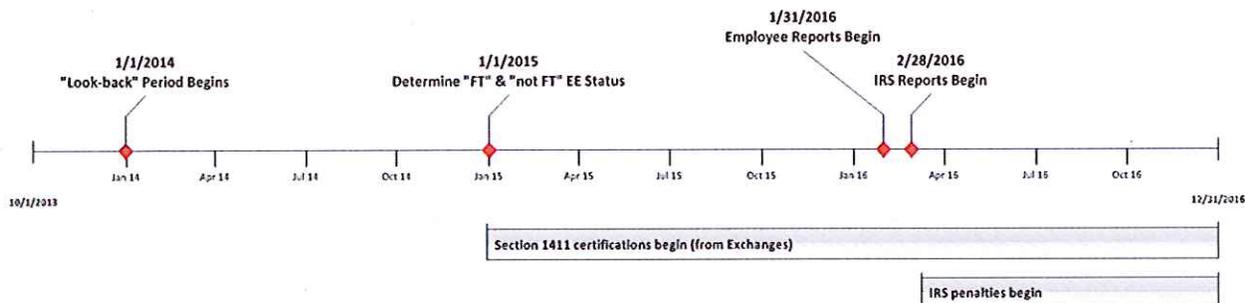
Stakeholders:

Stakeholder groups may be used to gather specific perspective or support as required.

Name
Pers/Pay ListServ (select group or full group)
Personnel and Payroll Association (PPA)
PPA Executive Council
PEB Board
HCA Executive Leadership Team

Project Timeframe

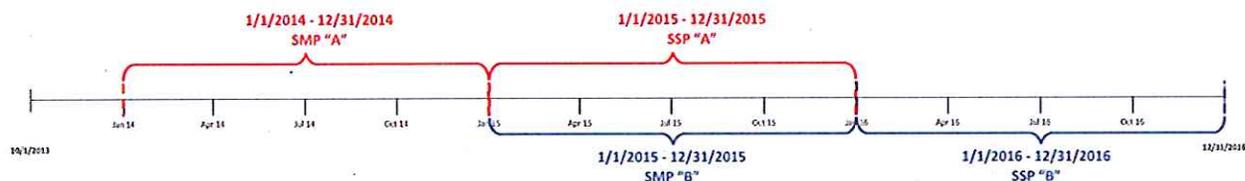
Major Milestones:



State of Washington Measurement Periods:

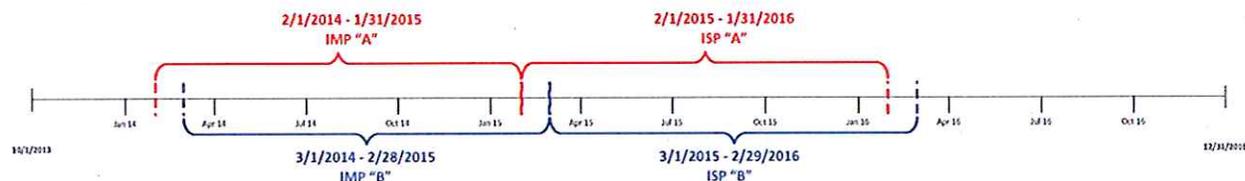
Standard Measurement Periods (SMP) and Standard Stability Periods (SSP): *Ongoing Pattern*

(For employees employed for an entire SMP)



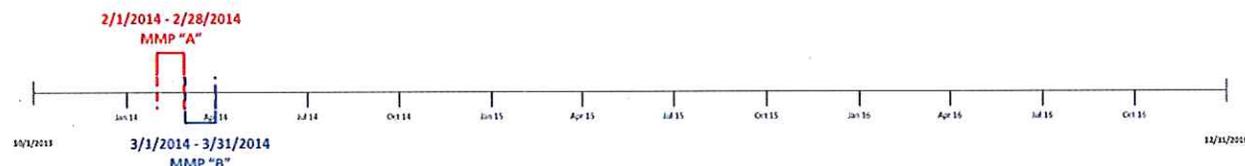
Initial Measurement Periods (IMP) and Initial Stability Periods (ISP): *Ongoing Pattern*

(For employees not employed for an entire SMP, and not expected to be "full-time")



Monthly Measurement Periods (MMP): *Ongoing Pattern*

(For employees not employed for an entire SMP, and expected to be "full-time")



Related Legislation

Issue Date	Action
10/9/2012	IRS Notice 2012-058 Determining Full-Time Employees for Purposes of Shared Responsibility for Employers Regarding Health Coverage (Section 4980H)
12/31/12	IRC §4980H Shared Responsibility for Employers Regarding Health Coverage Proposed Regulations [138006-12]
7/9/2013	IRS Notice 2013-45 Delays "Play or Pay" reporting until 2015
9/5/2013	IRC §6055 Health insurance issuer information reporting of minimum essential coverage (Insurers) Proposed Regulations [132455-11]
9/5/2013	IRC §6056 Information reporting by applicable large employers on health insurance coverage provided to "full-time" employees (Employers) Proposed Regulations [136630-12]
2/12/14	IRC §4980H Shared Responsibility for Employers Regarding Health Coverage Final Regulations [TD 9655]
3/10/14	IRC §6055 Information Reporting of Minimum Essential Coverage (Insurers) Final Regulations [TD 9660]
3/10/14	IRC §6056 Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans (Employers) Final Regulations [TD 9661]
3/10/14	IRC §54.9801; IRC §54.9802; IRC §54.9815; IRC §54.9831 Ninety-Day Waiting Period Limitation and Technical Amendments to Certain Health Coverage Requirements Under the Affordable Care Act Final Regulations [TD 9656]

Key Dates and Milestones

PPACA “Play or Pay” Project (see also Team Milestones)

(Key: √=Complete, G=Green, Y=Yellow, R=Red)

Key	Milestone	Due	Notes & Documents
√	ACA EE Status Code added to all eligibility worksheets.	1/1/14	Pers/pay asked to retain paper worksheets for future entry to payroll system of record.
√	“Look-back” Measurement Method: Measurement periods begin.	1/1/14	
R	ACA EE Status Code field established for all eight payroll systems (or interface files).	3/1/14	Complete: EWU (3/1/14), Evergreen (3/1/14), HRMS (3/25/14), CWU (4/15/14) Pending: WSU, WWU, UW, SBCTC.
	Finalize Oracle database for consolidation of all data elements to enable annual reporting. (Preliminary database completed 5/31/13)	5/31/14	Data sources: -SWHRDB inbound to HCA interface (hours of service and ACA EE Status Codes); -PAY1 ACA EE Status Codes; -PAY1 “offers of coverage”; and -SWHRDB special unpaid leave report.
	Respond to notifications (Section 1411 Certifications) from Health Benefit Exchanges. -Procedure needed	1/1/15	Beginning 1/1/15, Certifications represent risk of employer penalty due to an employee’s enrollment to Exchange coverage. An appeals process will be available to employers who receive a Certification.
	Must be able to determine “FT” and “not FT” status of all employees.	1/1/15	
	Develop §6055 annual reporting procedures per final regulations and guidance.	3/31/15	
	Develop §6056 annual reporting procedures per final regulations and guidance (if designated reporter).	3/31/15	
	CY 2015 notices to “FT” employees as required by IRC §6055 and §6056.	1/31/16	
	CY 2015 reports to IRS for “FT” employees as required by IRC §6055 and §6056.	3/31/16	Must file IRS reports electronically.
	Develop procedures for paying IRS-assessed penalties.	3/31/16	
	Pay IRS-assessed penalties.	4/1/16	First day after filing IRS reports that will potentially yield penalties.