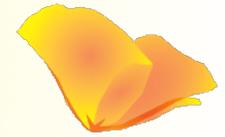




Health Insurance Options for California Nonprofits

October 2013



California Association of Nonprofits (CalNonprofits)

Statewide alliance of nonprofits

Our mission

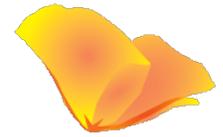
To bring the full power of California's nonprofits to
strengthening communities

The CalNonprofits Health Reform Initiative



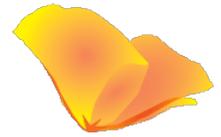
1. **Education** - Helping nonprofits understand how to take advantage of ACA for their clients and *their own staff*
2. **Advocacy** - Our full-time staff lobbyist / policy director in Sacramento
3. **Direct services** – Through our subsidiary, CalNonprofits Insurance Services (CIS), enrolling part-time and temporary staff and staff dependents directly into the Exchange..

Outline for this presentation



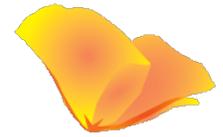
- Three things you need to know as a member of the nonprofit community
- Seven things you need to know as a nonprofit employer
- Two messages you can give clients, volunteers, audiences, and other constituents

Three things you need to know as a member of the nonprofit community



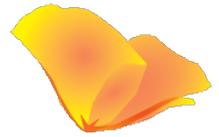
1. The CalNonprofits health insurance study earlier this year showed that nonprofits are more than twice as likely as for-profits of the same size to provide employee health insurance. Good for us.
2. The Affordable Care Act (ACA) was an enormous victory for America, and particularly for low-income people, for people without health insurance or are under-insured, and for everyone with a pre-existing condition. This victory was won from years of advocacy and activism led by community-based nonprofits. We all have a stake in making sure it works.
3. It's complicated on the policy side, but pretty simple on the user side. Just like Social Security and Medicare, it will take awhile for things to be ironed out.

Seven Things You Need to Know as a Nonprofit Employer



1. What health insurance are you required to provide?
2. Who is eligible for the Small Business program (SHOP) under Covered California?
3. What are the SHOP features?
4. If you already provide health insurance
5. If you *don't* provide health insurance now
6. What about part-timers, temps and dependents?
7. Are we eligible for federal refunds (aka tax credits)?

Who is required to provide health insurance?



- 50 or more FTEs?

You must provide healthcare coverage for your staff who work more than 30 hours per week.

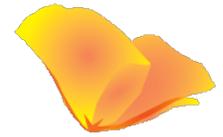
But penalties don't start until 2015.

- Fewer than 50 FTEs?

You are NOT required to provide health care coverage.



How to calculate FTEs



- Covered California definition of FTE:
An employee who works an **average of 30 or more hours per week** over the course of one month.
- You are still required to calculate your part-time employees. You do this by dividing for part-time employees during a particular month by 120. Then, add that number to the total number of FTE's

Example:

You have **5 employees that work 40 hours a week** and **2 employees that work 60 hours a month**

- 5 employees at 40 hours per week = 5 FTE's
- 2 employees at 60 hours each per month = $60 \times 2 = 120$ hours
120 hours divided by 120 = 1 FTE
- Total FTE's = 6

Requirements for Large Nonprofits



Requirements for Large Nonprofits

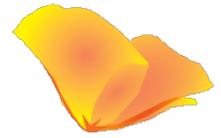


Nonprofits with 50 or more FTEs *are* required to provide health care coverage for employees, but:

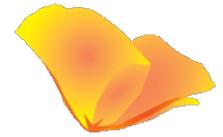
- **Penalties do not start until 2015**
- **In 2015, you may have to pay a penalty if you:**
 - Do not offer health coverage to employees; or
 - Offer inadequate health coverage, which is defined as covering less than 60% of the total allowed costs of benefits; or
 - Offer unaffordable health coverage, which means that an employee's share of premium is more than 9.5% of his or her household income.
- You cannot use SHOP in 2014, but you may be able to use it later.



**Small nonprofit
up a tree?**



Small Business program (SHOP) under Covered California



Eligible to use SHOP if

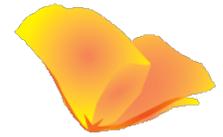
- You have at least one employee (receives a W-2)
- You have less than 50 FTEs
- You agree to offer health insurance to all your full time staff



Small Business
Health Options
Program (SHOP)

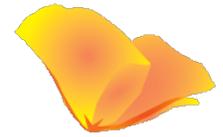
Health Insurance Plans

When and how can we enroll in SHOP?



- As of October 1, 2013, SHOP should be open, but last time we checked the Covered CA website, information about specific health plans is not yet available.
- Going forward, there is no designated open-enrollment period. You can enroll at the renewal date for your current policy (if you have one), or whenever you choose.
- If you already have an insurance broker, ask them if they are Certified Agents for Covered California. If so, they can enroll you in SHOP. If not, you can go directly to SHOP yourself, or we can enroll you through CalNonprofits Insurance Services.

What are the health plans available in SHOP?



SHOP is not a health plan. SHOP is a store where you buy health plans. Plans will vary in the 19 regions throughout California.

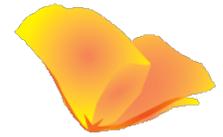
The following health insurance plans will be available in all regions:

- Blue Shield of California
- Health Net
- Kaiser Permanente

Additional plans will be available in some regions:

- Chinese Community Health Plan
- Sharp Health Plan
- Western Health Advantage

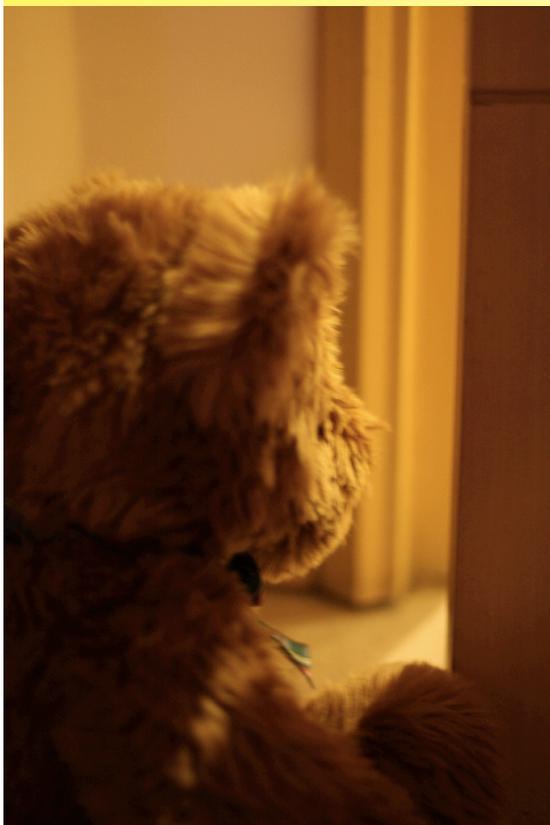
What are all health plans now required to include?



Under the Affordable Care Act, all will have the following *Essential Health Benefits*:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- **Mental health and substance use disorder services**, including behavioral health treatment
- **Prescription drugs**
- Rehabilitative and facilitative services and devices
- Laboratory services
- **Preventive and wellness services and chronic disease management**
- Pediatric services, including pediatric dental and vision care

How do health plans within SHOP vary?



- While all health plans will include all of the Essential Health Benefits, **some will include additional services or benefits.**
- The **premiums (employer paid portion) for each plan will vary** according to the region, insurance carrier, and Plan Type
- The **out-of-pocket costs for individuals will vary** according to Plan Type

How are the various plans categorized?

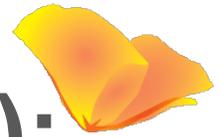


SHOP offers small businesses four types (or levels) of health insurance plans:

- **Platinum** (highest premium for employers, lowest out-of-pocket costs for staff)
- **Gold**
- **Silver**
- **Bronze** (lowest premium for employers, highest out-of-pocket costs for staff)

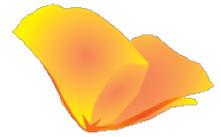


If you already provide health insurance (have a broker):



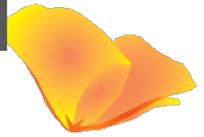
- You can keep the same broker and the same plans you have now.
- You can ask the broker to get you a quote from SHOP in addition to the quotes they get you each year. For instance, if you currently offer Kaiser, ask your broker for a quote from Kaiser as you usually get it and a quote from Kaiser through SHOP.
- Ask your broker if they are Certified Agents under Covered California. If so, they can act as your agent to obtain plans through SHOP.
- If they are not Certified Agents, encourage them to become certified.
- If they don't want to be certified, either go directly to SHOP or talk to another broker who is Certified.

If you **don't** have a broker:



- If you have fewer than 50 FTEs, you do not need to provide health insurance. But if you want to explore it:
- You can go directly to SHOP.
- You can talk to a broker who is a Certified Agent under Covered California. Ask them to get you quotes both through SHOP as well as quotes from outside SHOP. For instance, ask them to get you a quote from Kaiser through SHOP and a quote for Kaiser outside of SHOP.
- Consider CalNonprofits Insurance Services (CIS), which is a Certified Agent, and supports the policy work of CalNonprofits.

What about part-timers, temps and dependents?

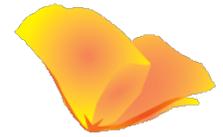


Even if you provide health insurance to full-time staff, your **part-time staff** (< 30 hours), **temporary staff**, and **dependents** of your staff may need coverage.

While not required to do so, there are new suggestions you can give them:

- They can **enroll directly** in Covered California online or by phone.
- They can **work with a Certified Agent to enroll** in Covered California, such as a nearby community clinic or health department.
- **If your nonprofit uses CalNonprofits Insurance Services as its broker**, at no cost to you we will enroll your part-timers, temporary staff, and staff dependents in Covered California and/or Medicaid.

Are we eligible for federal refunds (aka tax credits)?



You are eligible for a federal refund **if you meet all of the following:**

Number of Employees	Average salaries	Employer Contribution	Type of Tax Refund
1-10	Below \$25,000/year	50% towards premium	Maximum 25% - 2010 - 2013 35% - 2014
11-25	Below \$50,000/year	50% towards premium	Varies

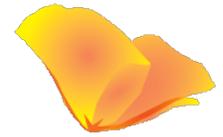
The actual refund amount will be a percentage of the annual premium expense. When you submit Form 990 there are two additional forms to complete. [The refund comes from the IRS.](#)

Some messages for clients and others



- The Affordable Care Act (Obamacare) is a hard-won victory for our communities. [Affordable health insurance for everyone.](#)
 - If you don't have health insurance, you should get it. [Now you can get it.](#)
-
- If your employer doesn't offer health insurance and there are 50+ employees, tell your employer about the requirement.
 - You can call Covered California or go online, or we can refer you to a nonprofit Certified Enrollment Counselor who can enroll you. If someone offers to do this for a fee, they are crooks.
 - It's going to take a couple of years to get sorted out just like Medicare did.

Consider joining CalNonprofits?



Collective benefits

- Fruits of advocacy – legislation, regulation
- Voice to government, philanthropy, media, public

Individual organization benefits

- Use of CalNonprofits Insurance Services (CIS) for health & other
- Discounts on products and services from vendors
- Discounts on CalNonprofits services and events (convention, job board, etc.)



www.coveredca.com
www.calnonprofits.org
www.cal-insurance.org