

GENERAL FACTS AND PROVISIONS	
PHCA	ACA
<ul style="list-style-type: none">Originally enacted in 1974; implemented in 1975	<ul style="list-style-type: none">Passed in March, 2010; upheld by U.S. Supreme Court in April, 2012
<ul style="list-style-type: none">First U.S. law to set minimum standards of health care coverage for workers	<ul style="list-style-type: none">GOAL: COMPREHENSIVE health care reform through:<ul style="list-style-type: none">Expansion of health insurance coverage;Improvement in quality of health care;Reduction of health care costs.
<ul style="list-style-type: none">First U.S. law to set the standard for benefits provided by employer-based health plans	<ul style="list-style-type: none">Strategy to Achieve These Reforms:<ul style="list-style-type: none">Individual health insurance mandate;Insurance-purchasing subsidies;Medicaid expansion;Employer-sponsored insurance mandate;Small-group employer tax credits.
<ul style="list-style-type: none">Law regulates:<ul style="list-style-type: none">Employer vs. employee contribution levelsPlan designs and coverage benefits	<ul style="list-style-type: none">Online health insurance exchanges (marketplaces):<ul style="list-style-type: none">Either Federal or StateHawaii chose State option: Hawaii Health Connector (Act 205 of 2011)
<ul style="list-style-type: none">Coverage benefits must be equal to those provided by the plan with the largest number of subscribers in Hawaii.	<ul style="list-style-type: none">Exchanges allow individuals and small businesses to:
<ul style="list-style-type: none">Employers can purchase a plan approved by the State or can fund their own plan, as long plan meets state requirements.	<ul style="list-style-type: none"><ul style="list-style-type: none">Compare information about multiple plans;Determine eligibility for subsidies or tax credits;Efficiently enroll in health plans

EMPLOYEE ELIGIBILITY DIFFERENCES	
PHCA	ACA
<ul style="list-style-type: none">= 20 hours per week (at least four consecutive weeks)	<ul style="list-style-type: none">Full-time (= 30 hours per week)
<ul style="list-style-type: none">Must earn = 86.67 times the current Hawaii minimum wage per month.	<ul style="list-style-type: none">Includes state and local governments
<ul style="list-style-type: none">Excluded:<ul style="list-style-type: none">Workers employed < 20 hours per week;Federal, State, and County workers;	<ul style="list-style-type: none">Excluded:<ul style="list-style-type: none">Part-time workers;Employers with < 50 FTEs;Seasonal workers.
<ul style="list-style-type: none"><ul style="list-style-type: none">Agricultural seasonal workers;Insurance or real estate salespersons paid solely by commission;Individuals working for son, daughter, or spouse;Children < age 21 working for a parent.	

EMPLOYER vs. EMPLOYEE SHARE OF PREMIUM	
PHCA	ACA (SHOP – Small Business Health Options Plan)
<ul style="list-style-type: none">Employer contributes ½ of premium cost	<ul style="list-style-type: none">NOT premium allocation-based
<ul style="list-style-type: none">Employee’s share not to be > 1.5% of employee’s wages	<ul style="list-style-type: none">Employer must provide plan with at least 60% of the cost of “minimal essential coverage”
	<ul style="list-style-type: none">Employee’s share for individual health care not to exceed 9.5% of employee’s household income.

EMPLOYER PLAN STRENGTH DIFFERENCES*	
PHCA	ACA (SHOP)
<ul style="list-style-type: none">393-7 (a) PLANS:<ul style="list-style-type: none">Equal to largest subscriber plans;	<ul style="list-style-type: none">Metal Plans<ul style="list-style-type: none">Actuarial value of plan based on cost-sharing between insured and insurance;
<ul style="list-style-type: none"><ul style="list-style-type: none">Equivalent to SHOP Platinum-level plans.	<ul style="list-style-type: none"><ul style="list-style-type: none">Bronze: 60%; Silver: 70%; Gold: 80%; Platinum: 90%.
<ul style="list-style-type: none">393-7 (b) PLANS:<ul style="list-style-type: none">Must demonstrate that they provide “sound basic care”;If more limited than (a)-plan, employer also contributes ½ the cost of dependents;	<ul style="list-style-type: none">ACA requirement: SHOP insurers must offer at least one Qualified Health Plan (QHP) at Silver level and one QHP at Gold level
<ul style="list-style-type: none"><ul style="list-style-type: none">Equivalent to SHOP Gold-level plans.	<ul style="list-style-type: none">*Individual exchange has greater choice, including less robust plans and a limited catastrophic plan for low-income young (age < 30 years) adults.

BENEFIT DIFFERENCES	
PHCA	ACA (SHOP)
<ul style="list-style-type: none">Match prevalent plan described by PHCA and state-mandated benefits	<ul style="list-style-type: none">Ten Essential Benefits (at minimum)<ul style="list-style-type: none">States can add benefits, but must bear cost (until at least 2016)
<ul style="list-style-type: none">PHCA benefits include:<ul style="list-style-type: none">Outpatient services;ER and inpatient hospital services;Surgical services;Diagnostic labs/studies;Maternity services;Substance abuse treatment;Behavioral health services.	<ul style="list-style-type: none">TEB List:<ul style="list-style-type: none">Ambulatory patient services;Emergency services;Hospitalization;Maternity and newborn care;Pediatric services (including oral and vision care;Prescription drugs;Mental/ behavioral health services;Substance abuse disorder treatment;Rehab and habilitative services and devices;Preventive and wellness services, and chronic disease management.
<ul style="list-style-type: none">State mandates include coverage for:<ul style="list-style-type: none">In-vitro fertilization;Mammograms;Diabetes services and medical foods;Hospice care.	<ul style="list-style-type: none">SELF-INSURERS HAVE FAR FEWER REGULATORY REQUIREMENTS
<ul style="list-style-type: none">NO DIFFERENCES FOR SELF-INSURING BUSINESSES	

BENEFIT ASSISTANCE DIFFERENCES	
PHCA	ACA (SHOP)
<ul style="list-style-type: none">Employer premium supplementation for certain small employers if:<ul style="list-style-type: none">Their share of health care costs exceeds 1.5% of the total wages payable to employees; andThat amount is greater than 5% of the employer’s income before taxes.	<ul style="list-style-type: none">Premium tax credits for employers who:<ul style="list-style-type: none">Have fewer than 25 FTEs making an average of \$50,000 or less; andPay at least 50% of their FTE’s premium costs (not including their dependents).Tax credit is worth = 50% of for-profit employer’s contribution toward employee’s premium costs (= 35% for tax-exempt employers).
	<ul style="list-style-type: none">NO PENALTY if FTEs eligible for employer-sponsored coverage receive insurance from the exchange, BUT NOT subsidies.
	<ul style="list-style-type: none">TWO EMPLOYER PENALTIES:<ul style="list-style-type: none">Failure to provide a plan for employers with > 50 workers:<ul style="list-style-type: none">\$2,000 per employee/year, excluding the first 30 FTEs
	<ul style="list-style-type: none"><ul style="list-style-type: none">Failure to provide an adequate or affordable plan:<ul style="list-style-type: none">\$2,000-3,000 per employee/year
	<ul style="list-style-type: none">ACA requires greater functionality than does PHCA<ul style="list-style-type: none">Example: Premium Aggregation - ability of employer to choose different plans for different employees and write one premium check.

PENALTY DIFFERENCES	
PHCA	ACA (SHOP)
<ul style="list-style-type: none">Employer liability for all of uninsured employee’s health care costs.	<ul style="list-style-type: none">Penalty triggered by a FTE eligible for employer-sponsored coverage who receives Premium Credit (subsidy) on the Exchange
<ul style="list-style-type: none">Employers violating various provisions for various lengths of time may incur:<ul style="list-style-type: none">Penalty of = \$25/day or \$1/employee/day for each day of violation, whichever is greater;Up to \$200 per violation;	<ul style="list-style-type: none">NO PENALTY if FTEs eligible for employer-sponsored coverage receive insurance from the exchange, BUT NOT subsidies.
<ul style="list-style-type: none"><ul style="list-style-type: none">Injunction against doing business.	<ul style="list-style-type: none">TWO EMPLOYER PENALTIES:<ul style="list-style-type: none">Failure to provide a plan for employers with > 50 workers:<ul style="list-style-type: none">\$2,000 per employee/year, excluding the first 30 FTEs
	<ul style="list-style-type: none"><ul style="list-style-type: none">Failure to provide an adequate or affordable plan:<ul style="list-style-type: none">\$2,000-3,000 per employee/year