



Commonwealth Benefits Group

2 Barlo Circle

Suite C

Dillsburg, Pennsylvania 17019

(717) 432-1010

<http://www.commonwealthbenefitsgroup.com>

HEALTHCARE REFORM UPDATE 2015-18



WHAT EMPLOYERS NEED TO KNOW RIGHT NOW ABOUT HEALTH CARE REFORM

Veterans with TRICARE; VA Coverage Won't Count Toward Applicable Large Employer Status

The [Surface Transportation and Veterans Health Care Choice Improvement Act](#) (STVHCC) of 2015 was signed into law by President Obama on July 31, 2015. The Act, also known as H.R. 3236, is focused on surface transportation programs but affects rules regarding how to count employees under the Patient Protection and Affordable Care Act (ACA) as well as health savings account (HSA) eligibility for individuals receiving care through the Veterans Administration.

Applicable Large Employer Counting

The ACA requires applicable large employers (ALEs) to offer their full-time employees health coverage, or pay one of two employer-shared responsibility/play or pay penalties. ALEs are employers with 50 or more full time employees or full time equivalent employees. The STVHCC would allow employers (effective months beginning after December 31, 2013), solely for purposes of determining ALE status, to disregard in any month an employee that

has medical coverage for that month through TRICARE or under a federal health care program through the Department of Veterans Affairs.

Employers with employees that have TRICARE or health coverage through the Department of Veterans Affairs should anticipate guidance from federal agencies on the practical process for disregarding these employees.

Employers who offer health coverage, regardless of their size, should offer health coverage to all eligible employees who have TRICARE or health coverage through the Department of Veterans Affairs. The STVHCC only affects the way an employer counts employees for determining ALE status under the ACA.

HSA Eligibility

In order to establish an HSA, an individual must be eligible to do so. Eligibility, generally, requires an individual to have a high deductible health plan (HDHP) and prohibits them from having any other coverage for any benefit already covered by the HDHP. This includes TRICARE and previously included Veterans medical benefits (during any month that the individual received VA medical benefits).

The STVHCC provides that individuals who receive hospital care or medical services under any law administered by the Secretary of Veterans Affairs for service-connected disability are still HSA-eligible for any months after December 31, 2015.

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Our access to PPACA Advisor resources can help you clear up PPACA questions and better craft your company's benefit strategy for the future.

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