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MEMORANDUM #011-13HR

TO: Agency Administrators

FROM: Carolyn Horwich, J.D., Director of Human Resources

THROUGH: Rip Colvin, Executive Director

SUBJECT OPS Health Coverage, People First System Clean Up and Employer's Responsibility

DATE: June 1, 2013

I. Background

The Patient Protection and Affordable Care Act ("PPACA" or "the Act") is a federal law that requires certain employers to offer "affordable" health care coverage to employees who work, on average, 30 hours or more per week. This includes Other Personal Services ("OPS") employees. "Affordable" under the Act means that the employee portion of the premium cannot exceed 9.5% of the employee's annual wages. Based on the current minimum wage, the monthly employee premium for individual coverage cannot exceed \$96.

In order to determine eligibility for coverage under the Act, the federal guidelines require us to track the number of hours worked by OPS employees during specific measurement periods. Each circuit is asked to work with the JAC to help the Division of State Group Insurance ("DSGI") and People First to ensure that the employing agency does not pay a penalty due to failure to comply with the guidelines. The penalties are not insignificant. As explained by DSGI, for example, if one eligible employee is not offered coverage, enrolls in coverage through an exchange, and receives a premium credit (subsidy), the state will be required to pay \$2,000 penalty for every employee.

II. Impact on the Agencies served by the JAC

Although more requirements with regard to the Act may arise in the future, for purposes of this memorandum, the focus is limited to identifying and tracking OPS employees. To comply with the Act's requirements, all agencies must follow these steps:

A. Using PARs, remove from your employee roster all OPS employees who are not actually being paid.

B. Familiarize yourself with the Definitions Tab on the attached Excel spreadsheet.

C. For all OPS employees hired April 2, 2013 or after, enter the required information into the attached Excel spreadsheet (Tracking Tab).

D. For all current OPS employees (including those hired April 2, 2013 and after), track their hours in the attached Excel spreadsheet (Timesheet Tab). Please enter the employee's name, employee i.d., and the hours actually worked each week. You do not need to calculate the weekly average number of hours worked.

E. October 1, 2013, submit the completed Excel workbook to Carolyn.Horwich@justiceadmin.org.

III. Frequently Asked Questions

Q. When will coverage for OPS employees begin?

Coverage will begin January 1, 2014 for those OPS employees determined to be eligible and who choose to enroll in a plan.

Q. What is the Special Measurement Period to determine eligibility?

For current OPS employees:

- If they work 30 hours or more per week, on average, from April 1 through September 30, they will be eligible to enroll in coverage during Open Enrollment (OE) with an effective date of January 1, 2014.
- If they do not work 30 hours or more, eligibility for future coverage will be determined at the end of the *next* OE measurement period.

For OPS employees hired between April 2, 2013 and September 30, 2013

- OPS employees hired between April 2, 2013 and September 30, 2013 who are "reasonably expected" to work 30 hours or more per week will also be eligible to enroll in coverage during OE.
- Employees hired April 2, 2013 and after and not reasonably expected to work 30 hours or more per week will not be eligible during OE to enroll in coverage for the next plan year. Eligibility for future coverage will be determined at the end of their new hire measurement period.
- During the hiring process, agencies must determine if the OPS candidate is already working at another agency and any potential budgetary impacts (see attached template).

Q. What definitions are used in the Act?

- **New hire measurement period** – the 12-month period beginning on the first day of the first month following an OPS employee’s start date in which the average hours worked weekly will be measured to determine eligibility for coverage.
- **Open Enrollment (OE) measurement period** – the 12-month period from October 1 through the following September 30 in which the average hours worked weekly will be measured to determine eligibility for coverage for the subsequent “stability period” (plan year). (Notice – this is different than the Open Enrollment period employees use to sign up for or make changes to benefits.)
- **Stability period** – the 12-month period following a measurement period during which eligible employees who enroll in coverage must be covered.
 - Following the new hire measurement period, the stability period is dependent upon the hire date.
 - Following the OE measurement period, the stability period is January 1 through December 31.

We will provide additional information as it is made available to us by the Department of Management Services.

If you have any questions, please contact Carolyn Horwich at Carolyn.Horwich@justiceadmin.org or at 850.488.2415, ext. 290 or Jamie Johnson at Jamie.Johnson@justiceadmin.org or at 850.488.2415, ext. 292.