

**Two New Facility-Specific Add-Ons for Long Term Care (LTC) Reimbursement
Frequently Asked Questions (FAQs)
ACA Employer Mandate**

1. Can a facility estimate its calendar year 2016 costs and file the certification form now?

Answer: A facility may estimate its Calendar Year 2016 costs for the Certification Form, however, please only estimate additional costs incurred from the ACA Employer Share Responsibility Mandate. It is the responsibility of the facility to inform the Department of Health Care Services (DHCS) if the actual cost of insurance/coverage differs from the amount on the certification form.

2. How can a facility determine if it is an “Applicable Large Employer (ALE)”?

Answer: Please refer to Internal Revenue Code (IRC) Section 4980H and its implementing regulations and guidance.

3. To receive the add-on, does a facility need to be both an ALE as defined by Section 4980H of the IRC and incur additional costs due to the ACA requirement or would it suffice if the facility qualifies for only one of these two requirements?

Answer: To receive the add-on, the facility must meet both requirements.

4. Can a facility include the cost of consultants and information systems to comply with the ACA Section 4980H? Or should a facility only report Health Care Insurance costs?

Answer: Only include new Health Care Insurance costs due to the ACA requirement in Section 4980H.

5. Wouldn't every facility estimate its 2016 costs on the high end to receive the add-on?

Answer: It is the responsibility of the facility to inform DHCS if the actual costs differ from the amount certified on the form. DHCS also has authority to audit such statements and recover any overpayments which are not for increased costs due to the ACA mandate.

6. Does DHCS know how much these add-ons will be?

Answer: The add-on for the ACA Employer Shared Responsibility Mandate will be calculated based on the new additional cost due to the Employer Shared Responsibility requirements in the ACA embodied in Section 4980H of the IRC reported on the certification form and the facility's audited bed days.

7. If a facility offers two different health plans for employees to choose from, should it report costs from both plans?

Answer: Please submit one form and add a new row or handwrite the second health plan's information. In Section D of the Certification Form, please combine the new costs from the two health plans due to the ACA mandate.

8. If a facility is only owned or operated for a portion of the year in question, how should costs be reported?

Answer: Please report only the new additional costs due to The Employer Shared Responsibility requirements in the ACA embodied in Section 4980H of the IRC for the dates the facility was owned or operated by the current owner.

9. Are any costs other than Health Insurance Costs covered? For example: the administrative expenses for tracking employees, completing the various tax forms and educating employees?

Answer: For the purposes of completing the Certification Form for the ACA Employer Mandate, only include the new additional costs of the health care insurance coverage due to the ACA embodied in Section 1980H of the IRC.

FOR ICF/FF-H and ICF/DD-N ONLY: The administrative expenses for tracking employees, completing the various tax forms, are provided through the ACA Employer Reporting Mandate add-on. To qualify to receive the add-on, ICF/DD-H and ICF/DD-N providers need to submit a Certification Form verifying that the employer is an Applicable Large Employer as defined by IRC Section 4980H (and its implementing regulations and guidance) and has incurred additional health care coverage costs as a result of the ACA IRS employer reporting mandate. All other long-term care facility types other than ICF/DD-Hs and ICF/DD- Ns, are already receiving the ACA Employer Reporting Mandate add-on in their reimbursement rate.

10. For facilities with two levels of care (i.e. skilled nursing and subacute), how should the costs be allocated between each level of care?

Answer: Divide the costs between the skilled nursing and subacute units based on the number of full-time equivalent employees for each level of care. If separate costs cannot be determined, please allocate the costs based on the ratio of skilled nursing to subacute total bed days.

11. Does a facility need to report the policy number and dates of coverage for years other than 2015 and 2016?

Answer: Please include only the policy in effect for 2015 calendar year.

12. Are the costs minus the employee contributions?

Answer: Yes.

13. Should a facility submit a separate ACA Employer Shared Responsibility Mandate certification form for each ICF/DD-H and ICF/DD-N location?

Answer: Yes.