

**Polling Results from Staffing World 2015 Session about the Affordable Care Act
October 29, 2015**

Staffing World 2015, the annual convention of the American Staffing Association, featured a panel presentation about the Affordable Care Act, including real-time polling data from a large audience of staffing firm attendees (estimated at 200+). Following are the on-site polling results:

2016 Health Insurance Plan Options

92% of the Applicable Large Employers (ALEs) in the session plan to offer a Minimum Essential Coverage (MEC) plan to at least 95% of their full-time employees. (MEC includes preventive and wellness coverage only, and satisfies the individual mandate.)

80% of firms who are not ALEs will offer a MEC plan anyway. Possible reasons for this are to remain competitive in attracting talent and/or to comply with customer requests.

One aspect of ACA compliance strategy is weighing the costs of health insurance premiums for Minimum Value (major medical insurance) plans versus the cost of the “B” tax. The American Staffing Association’s ACA compliance survey conducted last spring found that 50% of staffing firms were offering a Minimum Value health insurance plan. In the Staffing World session:

- 41% of firms that will offer health insurance to temporary and contract workers said they will offer MEC plans only and pay the “B” penalties.
- Of the *attendees that offer Minimum Value plans*, 72% said they will offer these to full-time employees only.

Of all firms offering MEC plans, 37% will offer these to full-time workers only and 63% to all workers (possibly for ease in administration ... firms that offer a MEC plan only to *all* workers can disregard variable hour tracking).

Regarding the cost of premiums for MEC plans:

- 8% are paying 100% of the cost for participating workers
- 57% require employees to pay the full cost
- 34% are sharing the cost with employees

Determining Full-Time Status

ACA penalties are assessed *only* on full-time employees. Since staffing employers can apply a “look-back” measurement period to determine the full-time status of new “variable-hour, seasonal, and part-time” employees, attendees were polled about the proportion of temporary and contract workers they classify as variable-hour.

80% plan to classify “some” workers as variable-hour. Of these firms, the share of workers the firms expect to classify as variable-hour are:

- *Less than 10%: 30%*
- *11-25%: 12%*
- *26-50%: 24%*
- *51-75%: 4%*
- *Over 75%: 30%*

In other words, 30% of firms expect to classify over 75% of workers as variable-hour, 30% of firms expect to classify less than 10% of workers as variable-hour (likely companies that make IT or medical placements), and so on.

Charging ACA Costs

In addition to costs of health insurance and/or penalty tax assessments, staffing firms incur general and administrative costs relating to ACA compliance. The American Staffing Association’s ACA compliance survey conducted last spring found that 37% of staffing firms did not propose bill rate increases for 2015. Of firms that did increase bill rates, nearly half met little or no client resistance.

In the Staffing World session, attendees were polled about their anticipated costs in 2016 and plans to recover these. Compared with 2015, attendees expect their ACA-related costs to increase:

- *0-2%: 33%*
- *3-5%: 18%*
- *6-10%: 8%*
- *More than 10%: 41%*

24% of attendees expect to recover all of the ACA-related cost increases, 61% expect to recover “some” of the increases, and 15% will absorb any increased costs.

Of those who plan to recover ACA costs:

- 80% will spread costs across all clients

- 14% will charge ACA costs as a separate line item
- 5% will charge clients an additional amount for employees who enroll in their insurance plan.

[Click here](#) for a copy of all the presentation slides, which include results of a survey of American Staffing Association Board members about their health insurance plan offerings and premium costs also conducted at Staffing World. The Board includes about 20 staffing firm representatives.