

MASSACHUSETTS UNDER THE AFFORDABLE CARE ACT: EMPLOYER-RELATED ISSUES AND POLICY OPTIONS

JULY 2012



FOUNDATION
MASSACHUSETTS

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SUMMARY

One of the many policy decisions facing the Commonwealth of Massachusetts in implementing the federal Patient Protection and Affordable Care Act (ACA) is how to assess employers that do not provide affordable health insurance coverage to their workers. The state currently has its own employer assessment, the Fair Share Contribution (FSC) requirement, which was instituted with the enactment of the Massachusetts health care reform legislation of 2006. The ACA includes a different employer assessment structure that will be implemented beginning in 2014. The different assessments under state and federal law necessitate a policy decision for the state. Options include:

- Eliminating the FSC and having the ACA be the only employer assessment associated with employer-sponsored health insurance in the state, thereby losing the related state revenue stream;
- Maintaining the current FSC assessment for small employers that are exempt from the federal assessment because of their size, thereby keeping some of the current state revenue stream and maintaining a broader standard than other states;
- Leaving the FSC requirement in place, leading to a double assessment for some employers once the ACA's employer assessments are implemented but maintaining the state's current revenue stream; and
- Extending the ACA's employer assessment structure to the small employers that the federal government would exempt, thereby keeping a small amount of revenue for the state.

We estimate that the second option, maintaining the current FSC assessment for small employers only, would raise about one-fifth as much revenue as leaving the current assessment in place. It would, however, avoid the potential political fallout related to charging some larger employers twice. Extending the ACA's assessment to smaller employers would raise less than 6% as much revenue as the current assessment, because it applies to only a small number of employers and a small share of those employers' workers. As a result, when the administrative costs of implementing this option are taken into account, it is unlikely to be attractive from the state's perspective.

In any case, transitioning from the current FSC system to the employer requirements under the ACA, with or without maintaining some related state revenue, is likely to cause some confusion for employers that have adapted to the current system. The approach taken by the ACA to determine whether employers face an assessment is quite different from the one taken by the 2006 Massachusetts law, and employers and ultimately the state can benefit from a structured and targeted educational strategy to prepare for the changes mandated to take place January 1, 2014.

INTRODUCTION

Fundamentally, the federal Patient Protection and Affordable Care Act (ACA) and the Massachusetts health care reform law have the same building blocks: a requirement that most residents have qualifying health coverage, the establishment of health insurance purchasing pools through which individuals and employers can obtain coverage through private plans, the availability of financial assistance for purchasing health insurance and reduced cost-sharing for those with lower incomes, and an expansion of Medicaid eligibility. As such, Massachusetts does not face as many ACA implementation challenges as other states (for example, the Health Connector it has established obviates setting up health benefit exchanges from scratch), but differences between the laws will still require changes to current practices. This issue brief focuses on differences between employer requirements under current Massachusetts law and those under the federal design. We also present an analysis of options available to the state under the ACA.

EMPLOYER REQUIREMENTS UNDER MASSACHUSETTS LAW

Current Massachusetts law requires employers with 11 or more full-time equivalent employees (FTE) to make a “fair and reasonable” contribution to their employees’ health insurance or pay a Fair Share Contribution (FSC) of up to \$295 per employee per year to the state. “Fair and reasonable” is determined by the following requirements:

1. **Percentage of Full-Time Employees Enrolled:** At least 25% of full-time employees are enrolled in the employer’s health insurance plan, and the employer is making a financial contribution to that plan.
2. **Premium Contribution Standard:** The employer provides at least 33% of the premium cost of the individual health insurance plan offered to full-time employees.

Employers with 50 or fewer FTEs need meet only one of these requirements to avoid an annual assessment of up to \$295 per employee. Employers with 51 or more FTEs need to meet both requirements or have at least 75% of full-time employees enrolled in the employer’s health insurance plan.¹ The FSC requirement currently generates approximately \$18 million in annual revenue for Massachusetts.²

In addition, employers with 11 or more full-time equivalent employees must either offer an IRS Revenue Code Section 125 Cafeteria Plan (Section 125 plan) that meets state regulations or potentially be liable for a “free rider” surcharge if their employees or employees’ dependents receive state-financed medical care. Section 125 plans allow employers and employees to pay for health coverage with pre-tax dollars, which are not subject to state and federal income taxes or FICA withholding taxes. Massachusetts regulators have clarified informally that employers are

1 www.mahealthconnector.org accessed on February 24, 2011. See Division of Health Care Finance and Policy regulations at <http://www.mass.gov/eohhs/docs/dhcfp/g/regs/114-5-16.pdf> 114.5 CMR 16.03(3)(e)1.a.

2 Correspondence with the Massachusetts Executive Office for Administration and Finance, Commonwealth Care Trust Fund, on December 14, 2011.

not required to subsidize medical care coverage to employees as long as they offer a Section 125 plan that permits Massachusetts residents who are eligible for insurance through the Health Connector to pay the premiums on a pre-tax basis.³ Employers that do not offer Section 125 plans and whose workers access medical care through the state's Health Safety Net may be assessed a penalty if the costs of these medical services exceed \$50,000. The size of the assessment is determined by number of employees and how many times the employees and their dependents used care, and it is reduced by the percentage of employees for whom the employer provides coverage.⁴ However, the state Division of Health Care Finance and Policy found that for both fiscal years 2008 and 2009, no employers were liable for the free rider surcharge.⁵

Employers are allowed to exclude several classes of employees from participation in Section 125 plans, including those under age 18; temporary employees; part-time employees; employees who are considered wait staff, service employees, or bartenders with average earnings of less than \$400 per month; student employees employed as interns; employees covered by a multi-employer health plan to which the employer contributes; and seasonal employees with J-1 or H2B visas who have travel health insurance.⁶

EMPLOYER REQUIREMENTS UNDER THE ACA

Table 1 presents a side-by-side comparison of employer requirements under Massachusetts law and under the ACA. Under the ACA, large employers, defined as those that averaged 50 or more full-time employees during the preceding calendar year, could face financial penalties if they have full-time employees who seek subsidized coverage in the new health insurance exchanges.⁷ The ACA assesses a fee of \$2,000 per full-time employee on employers that do not offer health coverage and have at least one full-time employee who receives a premium tax credit, except that the first 30 employees are excluded from the assessment. In addition, large employers that offer health coverage but have at least one full-time employee receiving a premium tax credit will pay the lesser of \$3,000 for each employee receiving a premium credit or \$2,000 for each full-time employee, again excluding the first 30 employees. Employers that averaged fewer than 50 employees during the preceding calendar year are exempt from these penalties.

The ACA restricts eligibility for subsidies through the health insurance exchanges to those who are legal U.S. residents, are not eligible for minimum essential coverage through another source (such as Medicaid, Medicare, the Children's Health Insurance Program [CHIP], or employer-sponsored insurance), have incomes at or below 400% of the federal poverty level, and do not have access to an *affordable* employer-sponsored health insurance offer. As a result, in order for

3 McDermott Newsletters, "The Massachusetts Health Care Reform Act — What Employers Need to Know," 2007, accessed on May 4, 2011. Available at http://www.mwe.com/index.cfm/fuseaction/publications.nldetail/object_id/bof3fa41-63e0-40ee-b6f2-9dcd0bc98c59.cfm.

4 Ibid.

5 Massachusetts Division of Health Care Finance and Policy, "The Employer Free Rider Surcharge: Policy, Objectives, and Results," July 2011. Available at <http://www.mass.gov/eohhs/docs/dhcfp/r/pubs/11/free-rider-2011.pdf>.

6 Ibid.

7 Full-time equivalents are treated as full-time employees for purposes of assessing employer size.

TABLE 1. COMPARISON OF EMPLOYER REQUIREMENTS UNDER THE AFFORDABLE CARE ACT AND MASSACHUSETTS LAW

CATEGORY	FEDERAL LAW	MASSACHUSETTS LAW
SHOP EXCHANGE ELIGIBILITY*	SHOP is available to businesses with 100 or fewer employees, although states have the option to limit participation to businesses with 50 or fewer employees until 2016 and the option to expand to businesses with more than 100 employees in 2017 or later.	Businesses with 50 or fewer employees may offer their employees health benefits and a Section 125 plan through the Health Connector's Commonwealth Choice plans.
SHOP SUBSIDIES	From 2010 through 2013, businesses with fewer than 25 employees and average annual wages of \$50,000 or less may be eligible for a tax credit of up to 35% if they pay at least 50% of their employees' health insurance costs. Beginning in 2014, small businesses that purchase health insurance for their employees through SHOP can receive a two-year small business tax credit of up to 50% of the cost of the premiums.	There is no counterpart in MA.
EMPLOYER ASSESSMENT	Employers of 50 or more FTEs that do not offer coverage and that have at least one full-time employee who receives a premium tax credit are assessed \$2,000 per full-time employee, excluding the first 30 employees from the assessment. Employers of 50 or more that offer coverage but have at least one full-time employee receiving a premium tax credit will pay the lesser of \$3,000 for each employee receiving a premium credit or \$2,000 for each full-time employee, with the first 30 employees also being excluded from the assessment.	Employers of 11 or more FTEs must make a "fair and reasonable" contribution toward workers' insurance coverage or pay up to \$295 per employee. Employers with 11-50 FTEs must either have 25% of full-time employees enrolled in the employer's health insurance plan or provide at least 33% of the premium cost of the individual health insurance plan offered. Employers with 51 or more FTEs must meet both requirements or have 75% of full-time employees enrolled.

*Note: The Small Business Health Options Program (SHOP) Exchange is a health benefit exchange designed to assist small employers in providing coverage for their employees through qualified health plans offered in the state's small group market. States can create one exchange to serve both small employers and individuals.

a worker to obtain a subsidy through the non-group exchange and potentially trigger an employer penalty, that worker's employer either does not offer the worker coverage at all, offers job-based coverage that has an actuarial value of less than 60%,⁸ or offers job-based coverage for which the worker's direct premium contribution for single coverage exceeds 9.5% of family income.

The ACA includes several provisions that affect Section 125 plans. These expand dependent coverage up to age 26, exclude the costs of over-the-counter drugs not prescribed by a doctor from reimbursement through a flexible spending account (FSA) and from reimbursement on a tax-free basis through a health savings account (HSA), and limit FSA contributions to \$2,500 per year indexed to the consumer price index. Most important, although Section 125 plans currently allow Massachusetts employers and employees to use pre-tax dollars (not subject to state and federal income taxes or FICA withholding taxes) to pay for individually purchased (non-group) health coverage through the Health Connector, the ACA will not allow for the purchase of non-group coverage with pre-tax dollars, through the exchanges or otherwise.

8 Sixty percent actuarial value means that the plan, on average, reimburses medical service providers for 60% of costs covered by the plan.

OPTIONS AVAILABLE TO MASSACHUSETTS FOR COMPLYING WITH THE ACA

TABLE 2. DESCRIPTION OF EMPLOYER ASSESSMENT SCENARIOS

SCENARIO	DESCRIPTION	WHERE REVENUE ACCRUES BY SIZE OF ASSESSED FIRMS		
		11–30	31–49	50+
ACA ALONE	Replace MA Fair Share Contribution (FSC) assessment schedule with the ACA.	N/A	N/A	Federal Revenue
SPLIT ASSESSMENT	Maintain the FSC schedule for employers with 11 to 49 workers and replace it with the ACA requirement for employers with 50 or more employees.	MA Revenue	MA Revenue	Federal Revenue
DOUBLE ASSESSMENT	Maintain the FSC schedule in addition to implementing the full ACA assessment.	MA Revenue	MA Revenue	Federal and MA Revenue
ACA EXTENDED	MA collects assessments for firms with 31 to 49 workers using ACA rules, under which the first 30 workers are excluded from assessments.	N/A	MA Revenue (ACA Formula)	Federal Revenue

Massachusetts has an array of options with regard to its employer assessment structure and its interaction with the federal requirements under the ACA. The four discussed in this analysis, and summarized in Table 2, provide a range of possible approaches.

- Massachusetts can eliminate the FSC and allow the ACA to become the only employer assessment associated with employer-sponsored insurance in the state. Under this option, the state would lose the FSC revenue stream, and employers with 11 to 49 FTEs would no longer face a potential assessment. We refer to this option as the “ACA alone” approach.
- The state could maintain the FSC for employers with 11 to 49 FTEs but eliminate it for larger employers, which are liable for federal assessments if they do not meet federal rules. Massachusetts would thus maintain some revenue stream from small employers, and also maintain existing incentives for these employers to continue offering coverage. We refer to this option as the “split assessment” approach.
- Massachusetts could leave the current FSC requirement in place while the federal government implements the ACA assessments. This option would allow Massachusetts to maintain its FSC revenue, but it could face a backlash from employers with 50 or more FTEs that are assessed by both the state and federal governments. We refer to this option as the “double assessment” approach.
- The state could apply the federal assessment rules to smaller employers, as a means to maintain a small portion of the revenue stream to the state, to maintain incentives for small employers to continue offering coverage, and to present employers with only one set of rules. Because the ACA assessment rules exempt an employer’s first 30 workers, this state assessment would affect only firms with 31 to 49 employees and not smaller employers. We refer to this option as the “ACA extended” approach.

METHODS

In order to understand and assess these four employer assessment options more fully, it is necessary to understand how each option would affect employer decisions to offer health insurance, spending on health insurance by the federal government and the state, and the amount of revenue that would be generated for the federal government and the state. In order to model the impact of each assessment option, we used the Urban Institute's Health Insurance Policy Simulation Model (HIPSM) to estimate the effects of health reform among the non-elderly population.⁹ HIPSM simulates the decisions of businesses and individuals in response to policy changes, such as Medicaid expansions, new health insurance options, subsidies for the purchase of health insurance, and insurance market reforms. The model provides estimates of changes in government and private spending, premiums, rates of employer offers of coverage, and health insurance coverage resulting from specific reforms. We simulate the main coverage provisions of the ACA as if they were fully implemented in 2011 and compare results with the HIPSM results for 2011 without implementation of these reforms.

We used state-specific data to construct the Massachusetts HIPSM model. The core of the model is two years of the Current Population Survey's Annual Social and Economic Supplement, which we matched to several other data sets, including the Medical Expenditure Panel Survey — Household Component. The Massachusetts HIPSM model was created to reflect state-specific targets in categories in which the state might have particular interest, such as:

- Current state insurance market rules;
- Individual expenditures under employer sponsored insurance, which are adjusted so that the resulting premiums of baseline enrollees match targets taken from the MEPS-IC for Massachusetts;
- Non-group coverage expenditures, which are adjusted to match state-specific premium targets from America's Health Insurance Plans (AHIP);
- Total Medicaid and CHIP enrollment and expenditures, adjusted to match state administrative totals; and
- Benefit packages, eligibility determination, and choice behavior for special state-specific programs such as Massachusetts' Health Connector plans.

Each simulation assumes a standard implementation of the ACA in Massachusetts. That is, it reflects aligning coverage subsidies in Massachusetts with the new ACA provisions and replacing Commonwealth Care and Commonwealth Choice with the reforms outlined in the ACA, including

9 For more about HIPSM and a list of recent research using it, see <http://www.urban.org/url.cfm?ID=412154>. A more technical description of the construction of the model can be found in Matthew Buettgens, "Health Insurance Policy Simulation Model: Methodology Documentation," The Urban Institute, 2011. Available at <http://www.urban.org/UploadedPDF/412471-Health-Insurance-Policy-Simulation-Model-Methodology-Documentation.pdf>.

the Medicaid expansion, the subsidization of private coverage through exchanges (implementing, for example, the ACA premium subsidy and cost-sharing schedules), and replacing the state's individual mandate criteria with the new federal affordability criteria. We also assume:

- Massachusetts does not choose to implement the federal Basic Health Plan Option;
- The state maintains merged small group and non-group markets;
- Medicaid/CHIP eligibility levels are not decreased (i.e., there is maintenance of effort for adults and children);
- It offers employers with 50 or fewer employees eligibility for the Small Business Health Options Program (SHOP);
- Federal SHOP tax credits are in place; and
- It chooses to maintain its current age rating limits of no more than 2 to 1, as opposed to adopting the ACA's age rating limits of no more than 3 to 1.

We find, however, that the employer assessment revenue results described below are largely insensitive to these policy choices and assumptions (results not shown), meaning that if the state made different policy choices, the impact on these employer responsibility options would be of little consequence. If the state opted to implement a Basic Health Plan, as is currently under serious consideration, the employer assessment results shown below would be little changed.

ESTIMATION OF THE IMPLICATIONS OF ALTERNATIVE EMPLOYER ASSESSMENT SCENARIOS

EFFECTS ON GOVERNMENT AND EMPLOYER SPENDING

Table 3 shows the effect of each employer assessment alternative on government spending under a standard implementation of the ACA. The different assessment options have virtually no effect on spending under Medicaid/CHIP, as they do not lead to significant changes in public program enrollment. Premium and cost-sharing subsidies for modest-income individuals and families purchasing coverage in the non-group health insurance exchange also stay essentially constant across the different assessment options, with the split assessment and double assessment options leading to a slightly lower level of federal subsidies than the ACA assessment alone (\$560 million per year versus \$571 million). This difference appears because the higher assessments on employers would slightly increase the share of small employers offering insurance to their workers, thus slightly decreasing the number of people purchasing subsidized non-group coverage and increasing the number obtaining employer-based coverage. The different assessment scenarios have no effect on the behavior of larger employers. This is consistent with the results in Table 4, which highlight the lack of significant differences in aggregate employer premiums and net employer spending across all four scenarios.

TABLE 3. POST-REFORM GOVERNMENT SPENDING ON THE NON-ELDERLY (MILLIONS)

	ACA ALONE	SPLIT ASSESSMENT	DOUBLE ASSESSMENT	ACA EXTENDED
MEDICAID/CHIP	\$7,936	\$7,935	\$7,935	\$7,937
<i>Federal Share</i>	\$4,462	\$4,462	\$4,462	\$4,462
<i>State Share</i>	\$3,474	\$3,473	\$3,473	\$3,475
FEDERAL PREMIUM & COST-SHARING SUBSIDIES	\$571	\$560	\$560	\$571
FEDERAL EMPLOYER SUBSIDIES	\$52	\$53	\$53	\$52
FEDERAL INDIVIDUAL MANDATE ASSESSMENTS	-\$53	-\$53	-\$53	-\$53
EMPLOYER ASSESSMENTS	-\$36	-\$40	-\$55	-\$37
<i>Federal Revenue</i>	-\$36	-\$36	-\$36	-\$36
<i>State Revenue</i>	\$0	-\$4	-\$19	-\$1
NET GOVERNMENT SPENDING	\$8,470	\$8,455	\$8,440	\$8,470

Source: Urban Institute analysis, HIPSIM 2011.

*Note: We simulate the provisions of the Affordable Care Act fully implemented in 2011.

TABLE 4. POST-REFORM EMPLOYER SPENDING ON THE NON-ELDERLY (MILLIONS)

	ACA ALONE	SPLIT ASSESSMENT	DOUBLE ASSESSMENT	ACA EXTENDED
EMPLOYER SPENDING				
ESI Premiums	\$16,206	\$16,196	\$16,196	\$16,206
Employer Assessments	\$36	\$40	\$55	\$37
Employer Subsidies	-\$52	-\$53	-\$53	-\$52
NET EMPLOYER SPENDING	\$16,190	\$16,183	\$16,198	\$16,191

Source: Urban Institute analysis, HIPSM 2011.

*Note: We simulate the provisions of the Affordable Care Act fully implemented in 2011.

The aggregate federal subsidies paid to small low-wage employers that provide coverage to their workers change somewhat under the split and double assessment options relative to the ACA alone and ACA extended scenarios. As noted above, the split and double assessments lead to modest increases in the rate at which small employers offer employer-sponsored insurance. These increases are associated with a slightly higher level (\$1 million per year) of small-employer subsidies being paid out when those higher assessments are in place.

The most noticeable changes in Table 3 are the revenue estimates associated with the employer assessments. Each option other than the ACA alone would generate some revenue for the state. As mentioned earlier, the FSC generates approximately \$18 million in annual revenue for Massachusetts.¹⁰ The split assessment is estimated to generate annual revenue of \$4 million for the state, the double assessment \$19 million, and the ACA extended option \$1 million. The ACA extended option raises as little revenue as it does because it would apply to the fewest employers (only those with 31 to 49 workers) and assessments would be collected for a maximum of 19 workers since the first 30 are exempt from the assessment calculation. The double assessment applies to the largest base of employers, and it would raise about the same amount of revenue for the state as is collected currently. The split assessment raises less revenue than the double assessment because the state would not be assessing employers with 50 or more employees. Federal revenue from the ACA's employer assessments will not be affected by the state's policy decision with regard to its own assessment. Most employers that face an assessment under the new federal rules do so because they do not offer coverage. Very few face an assessment because they offer coverage that federal rules deem unaffordable.

¹⁰ Correspondence with the Massachusetts Executive Office for Administration and Finance, Commonwealth Care Trust Fund, on December 14, 2011.

EFFECTS ON EMPLOYER-BASED INSURANCE COVERAGE

Table 5 shows that the distribution of insurance coverage would be roughly the same under all assessment scenarios. The differences in employer assessments across the options are sufficiently small that they should not appreciably affect employers' or workers' coverage decisions. Under the split and double assessment options, the share of small employers offering coverage to their workers would increase very modestly. As a result, the number of people purchasing non-group insurance and the uninsured would decline by 4,000–5,000 people each, and employer coverage would increase correspondingly. These differences are, however, well within the margin of error of the estimates, and should not be considered meaningful from a policy perspective.

TABLE 5. POST-REFORM COVERAGE DISTRIBUTION OF THE NON-ELDERLY

	ACA ALONE	SPLIT ASSESSMENT	DOUBLE ASSESSMENT	ACA EXTENDED
INSURED	5,414,000	5,418,000	5,418,000	5,414,000
<i>ESI</i>	3,870,000	3,879,000	3,879,000	3,870,000
<i>Non-group</i>	225,000	220,000	220,000	225,000
<i>Medicaid/CHIP</i>	1,239,000	1,239,000	1,239,000	1,239,000
<i>Other (including Medicare)</i>	80,000	80,000	80,000	80,000
UNINSURED	197,000	193,000	193,000	197,000
TOTAL	5,611,000	5,611,000	5,611,000	5,611,000

Source: Urban Institute analysis, HIPSIM 2011.

*Notes:

We simulate the provisions of the Affordable Care Act fully implemented in 2011.

Non-group includes Commonwealth Care enrollment.

DISCUSSION

Difficult economic times have created significant strains for all states, and maintaining revenue streams is a high priority for all state governments. Therefore, completely eliminating the revenues raised by the FSC may not be feasible for Massachusetts, at least in the near term, although they represent a very small contribution to overall annual state spending (\$18 million of the recommended fiscal year 2013 budget of \$33.8 billion).¹¹ While the double assessment would keep FSC revenues relatively constant once the ACA is fully implemented in 2014, it might create a substantial political backlash from employers faced with federal and state bills that together exceed the amounts anticipated by designers and negotiators of both the ACA and the 2006 Massachusetts reforms. The double assessment would also require employers to file forms with both the state and federal governments, an added administrative burden.

We estimate that the split assessment would raise about one-fifth as much revenue as the current assessment, but it would avoid the potential political fallout related to charging employers with 50 or more workers twice. Extending the ACA's assessment to smaller employers would raise less than 6% of state revenues collected under the current assessment. As a result, when the administrative costs of implementing this option are taken into account, it is unlikely to be attractive from the state's perspective. See Table 6 on the following page for a summary analysis of the four options.

In any case, transitioning from the current FSC system to the employer requirements under the ACA, with or without maintaining some related state revenue, is likely to cause some confusion for employers. The approach taken by the ACA to determine whether employers face an assessment is quite different from the one taken by the 2006 Massachusetts law, and employers and ultimately the state can benefit from a structured and targeted educational strategy to prepare for the changes mandated to take place January 1, 2014.

¹¹ Massachusetts state estimate. Available at http://www.mass.gov/bb/h1/fy13h1/exec_13/hdefault.htm.

TABLE 6. ANALYSIS OF OPTIONS AVAILABLE TO MASSACHUSETTS FOR COMPLYING WITH THE ACA

OPTION	DESCRIPTION	STATE REVENUE	ANALYSIS
ACA ALONE	Eliminate the FSC and allow the ACA to become the only employer assessment associated with employer-sponsored insurance.	\$0	<ul style="list-style-type: none">• State would no longer receive FSC revenue.• Employers would face only one set of rules.• Small employers (11–49) would no longer face a potential assessment.
SPLIT ASSESSMENT	Maintain the FSC for employers with 11 to 49 FTEs but eliminate it for larger employers (50+).	\$4 million	<ul style="list-style-type: none">• State would continue to receive some revenue (about 20% of current FSC levels).• Small employers would continue to face a potential assessment.
DOUBLE ASSESSMENT	Maintain the current FSC requirement while the federal government implements the ACA employer assessments.	\$19 million	<ul style="list-style-type: none">• State would continue to receive full amount of FSC revenue.• Small employers would continue to face a potential assessment.• Large employers (50+) would face two different sets of rules and could be assessed by both state and federal governments, creating a potential political backlash from employers.
ACA EXTENDED	Apply the federal assessment rules to firms with 31 to 49 FTEs and not smaller employers. Firms with 50 or more FTEs would face the federal assessment only.	\$1 million	<ul style="list-style-type: none">• Employers would face only one set of rules.• Small employers would continue to face a potential assessment.• When the costs associated with implementing and operating the new set of employer requirements are taken into account, this option is likely to be viewed unfavorably.