

Employers for Flexibility in Health Care Coalition

Preserving Employer-Sponsored Health Coverage under the ACA

February 4, 2014

The Honorable Dave Camp (MI-04)
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Sander Levin (MI-09)
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Camp and Ranking Member Levin,

The Employers for Flexibility in Health Care (E-FLEX) is a coalition of leading trade associations and businesses in the retail, restaurant, hospitality, supermarket, construction, temporary staffing, agriculture, and other service-related industries, as well as employer-sponsored health plans insuring millions of American workers. The E-FLEX Coalition represents employers who create millions of jobs each year, employ a significant workforce in the U.S., offer flexible working environments for employees, and are a leading contributor to the nation's economic job recovery.

The common thread among Coalition members is that our workforces are of a variable nature, and not traditional 9-5 workforces. Maintaining the ability to offer affordable coverage options to our unique workforces under the new requirements of the law is of special concern to us. The Affordable Care Act's (ACA) definition of full-time employee is of particular importance to the E-FLEX Coalition because of our industries' unique reliance on large numbers of part-time, temporary, and seasonal workers with fluctuating and unpredictable work hours, as well as unpredictable lengths of service.

While transition relief for 2014 and flexibility in the proposed rules are greatly appreciated, the E-FLEX Coalition and many in the employer community remain concerned that the ACA employer requirements are fundamentally unworkable and require legislative changes, especially the 30 hours per week definition of full-time employee status. It is critically important to change the law's definition of full-time as 30 hours of service to a definition more in line with employment practices. The law's definition of full-time as 30 hours of service per week does not reflect employers' workforce needs or employees' desire for flexible hours. A change is needed to avoid disruptions in the workforce and maintain flexible work options for employees.

Better aligning the ACA's definition of full-time employee status with current employment practices would help avoid unnecessary disruptions to employees' wages and hours, and would provide critical relief to employers. Increasing the ACA's rigid 30-hour per week definition for full-time status would:

- Make it easier for employers to provide more hours to all employees, thereby increasing their take-home pay;

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- Help employers offer more generous health coverage to full-time employees without making employers' share of premiums cost prohibitive;
- Help ensure that lower-income employees have access to more affordable coverage options.

Using a definition of full-time that better reflects current employment practices would not cause employees to lose coverage. In fact, setting the definition of full-time employee status at a higher level would help eliminate a coverage gap for lower income employees in some states and make it easier for employees to increase their income by requesting work schedules according to their particular needs.

Although sharp differences in opinion about the ACA remain, well-intentioned people on both sides of the debate can agree that using a higher threshold for defining full-time would be better for American workers and businesses than the ACA's lower full-time definition. Committee consideration of H.R. 2575 – Save American Workers Act of 2013 – is a first step in the process of realigning this threshold.

The E-FLEX Coalition looks forward to continuing to work with the Committee and your colleagues in Congress on a bipartisan basis to strengthen and preserve employer-sponsored coverage.

Sincerely,

Employers for Flexibility in Health Care (E-FLEX) Coalition

For more information please contact any member of the E-FLEX Coalition's Executive Committee:

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Enclosure: E-FLEX Coalition 2014 Membership List