

## CASE STUDY

# Health Care Institutions Get Compliant with the Affordable Care Act

## New Complexities Around Compliance

Health Care institutions are no strangers to compliance – they've been addressing HIPAA compliance for years. But the Affordable Care Act (ACA) presents a new set of issues, specifically around tracking employee hours in order to offer health care benefits. Health Care institutions employ a wide range of worker types, often across a multi-location network of hospitals, clinics, and pharmacies. The tracking of hours or shifts is inconsistent and usually does not meet ACA requirements. The systems that the health care institutions rely on for payroll and benefits administration were not designed with ACA compliance in mind, so they may not communicate with each other or provide the level of hourly tracking required. While the health care field has had time to get compliant around HIPAA and the requirements to protect patient identity information, the ACA brings a new set of requirements, and the responsibility falls somewhere between the HR team and the Compliance office.

## A Specialized Range of Employee Types

From hourly cafeteria or gift shop employees to highly skilled, shift-based employees, hospitals and other health care institutions employ a wide varied range of workers. Employees may work across the health care network at a range of offices, clinics or hospitals. Each location may have a different time-keeping system, requiring the parent organization to make sense of all of these hours when assessing the employee's eligibility for health care benefits. Many types of employee work on shifts, but

how does the employer track time if the employee's day runs long, and a 6-hour shift turns into an 8-hour shift? Healthcare hours are often based on need, rather than set schedules. While a manager may suggest that the employee just take off early another day, everyone in health care knows the workload rarely makes that possible.

Specialty employees such as PICC Line nurses, Chaplains, or Physical Therapists may work on a session basis – coming in to perform specific tasks in a location and billing per-session rather than hourly. These sessions still have to be assessed and tracked in order to prove compliance around health care benefits eligibility, and tracking the time correctly can be a challenge.

## The Complications of Hourly Tracking

Since ACA compliance requires that organizations track the hours worked for each employee in order to determine eligibility for health care benefits, many of the systems that health care institutions have in place are not sufficient. In the case of shift employees, those extra hours put in after the shift must be tracked and used to determine eligibility, or the hospital could find itself at risk for not offering benefits. Hourly tracking systems have to be put in place rather than relying on shift schedules or spreadsheets. And each organization needs to determine a standard for specialty employees to set a very specific timeframe for each session. The institution must apply that standard evenly and ensure the requirements are met for tracking and offering coverage where required.

If a hospital has one type of timekeeping system, but their associated outpatient physical therapy clinic has another, the parent organization needs to be able to tie together data from both to determine eligibility based on the total number of hours worked by a physical therapist at both locations. Currently, many parent organizations cannot combine the data from their existing payroll, HRIS and benefits systems for accurate eligibility and reporting data, and the amount of work needed to do this manually is beyond the HR and Benefits teams capabilities.

## Compliance Across the Entire Organization

The health care industry is constantly growing, with mergers and acquisitions within organizations increasing the ACA compliance complexity. The institutions and parent

companies must institute hourly tracking systems for employee groups that have not previously had them in order to provide consistent, accurate reporting for all employees. Departments and divisions across the network need to ensure the capture of consistent data required for compliance to the parent organization. This can be very complicated, and often requires a specialty provider for integration. While the payroll or benefits software provider may claim to offer a solution, their systems were not developed with ACA compliance in mind, and it is unlikely they will be able to provide the full solution. For example, information such as employee leave data may either not be documented by these systems, or if it is captured, the system is not designed to share it for ACA requirements and HR or Benefits administrators are forced to manually review payroll records for the data.

## The Tango Compliance Solution

The compliance focus for the Health Care industry must adapt to include Affordable Care Act requirements for offering health care benefits. Tango's experience with health care clients has helped us to create a series of best practices to address the particular issues faced by these organizations. Our technology provides in-depth understanding of the necessary data required for compliance, and helps clients identify and resolve the challenges in gathering that data. Tango's expert staff can assist health care client institutions as they tackle hourly tracking challenges, including:

- Identifying what hours and data to track and for whom
- Ensure data input consistency
- Coordinating disparate systems

Tango has the technology to compile the accurate data needed for reporting, as well as a concierge staff fluent in IRS regulations and requirements. We provide the expertise that HR, Benefits, and Compliance teams need, alleviating the need for additional staff or legal consultants.

## About Tango

Tango is a Healthcare Benefits Optimization company with thousands of satisfied client companies across all industries. With innovative services and technology Tango optimizes healthcare benefits across the employee base, helping employees make the most effective decisions regarding benefits and creating hard dollar savings for employers. Our Healthcare Benefits Optimization suite includes online comparisons, employee education, live customer service experts, and a patented mobile platform to help employees make smart plan choices and keep them engaged year-round. Tango's Benefits Optimization Suite boosts employee confidence in smart healthcare choices and measurably bends the cost curve to keep employer benefits sustainable.