

Atlanta Business Chronicle
July 12, 2013

**ATLANTA
BUSINESS
CHRONICLE**

Companies got Obamacare waivers



BYRON E. SMALL

By Dave Williams
STAFF WRITER

The Obama administration's announcement July 2 delaying the employer mandate provision in the federal health-care reform law shouldn't have come as a surprise.

Signs that American businesses wanted more time to comply with the law came as early as 2010 and 2011, when more than 700 self-insured companies were granted temporary waivers to comply with the Patient Protection and Affordable Care Act, according to government figures. The 15 businesses based in Georgia received waivers for 7,676 employees. (See adjacent chart.)

"Most companies had begun to put procedures in place for dealing with it," said lawyer L. Scott Austin, a partner in the Atlanta office of **Hunton & Williams LLP** and a member of the firm's

➤ See **WAIVERS, 17A**

Georgia employers that received Affordable Care Act waivers

The Department of Health and Human Services in 2010 and 2011 granted temporary waivers to comply with Affordable Care Act rules to 722 U.S. self-insured employers with 528,342 enrolled employees. Following is a list of Georgia employers that received waivers:

Company	City	Enrollees
Waffle House, Inc.	Norcross	3,947
Progressive Logistics Services LLC	Atlanta	1,248
U. S. Security Associates Inc.	Roswell	721
HealthPort	Alpharetta	525
Goodwill Industries of North Georgia Inc.	Atlanta	211
Altisource Portfolio Solutions S.A.	Kennesaw	200
Ambassador Personnel Inc.	Thomasville	177
Jamison Professional	East Point	171
Medical Development Corp.	Atlanta	105
Tower Package Stores Inc.	Doraville	103
Royal Oak Enterprises LLC	Roswell	83
Delta Apparel	Duluth	67
The Burks Cos. Inc.	Atlanta	60
Tip Top Poultry Inc.	Marietta	39
Arby's Restaurant Group Inc.	Atlanta	19

Source: Centers for Medicare & Medicaid Services

employee benefits group. “[But] a lot of them were really struggling to determine how they were going to comply. ... Now, they have a year to put this in place.”

A requirement that businesses with 50 or more full-time employees offer health insurance or pay a penalty was a key component in the health-care reform law President Barack Obama pushed through a then-Democratic Congress in 2010.

Supporters considered expanding employer-based coverage critical to the goal of getting as close as possible to universal health insurance in America short of a government takeover of health care.

While much of the law took effect in 2010 and 2011, the effective date of the employer mandate was set for Jan. 1, 2014, to help businesses with the transition.

But with the announcement giving employers until the beginning of 2015 to comply with the insurance requirement, the Obama administration cited concerns from the business community about the mandate’s complexities and the need for more planning time.

“We recognize that the vast majority of businesses ... already provide health insurance to their workers,” Mark Mazur, an assistant treasury secretary, wrote in an agency memo. “We want to make sure it is easy for others to do so.”

The announcement also drew calls from Republicans for the president to dump Obamacare altogether. Georgia’s two GOP U.S. senators, Saxby Chambliss and Johnny Isakson, joined 42 Senate Republican colleagues in a letter dated July 10 urging that the law be “permanently delayed.”

The Georgia-based self-insured businesses that sought waivers to comply with the law were of various sizes and represented a wide range of industries.

Waffle House Inc. of Norcross was the largest, receiving a waiver for 3,947 health-insurance enrollees, according to the Centers for Medicare & Medicaid Services.

Waffle House spokesman Pat Warner said the restaurant chain sought the waiver for employees who chose to be covered under the company’s basic health plan.

“We wanted to keep that plan until we had to switch over,” he said.

Warner said the delay likely will have little impact on Waffle House because the company’s plans for complying with the insurance mandate were well-advanced.

But many other food-service companies can use the additional time the delay offers, said Karen Bremer, executive director of the **Georgia Restaurant Association**. She said restaurants are having a particularly difficult time preparing compliance plans because their high turnover makes record-keeping costly and time consuming.

“The restaurant industry averages 300 percent turnover,” she said.

Arby’s Restaurant Group Inc. also was among the Georgia-based companies receiving waivers to comply with the law. But the fast-food chain only sought the waiver for 19 health-coverage enrollees.

That low number may have represented just employees at the company’s corporate headquarters in Atlanta. Patrick Roach, a spokesman for Arby’s, declined comment.

Doug Fenstermaker, executive vice president of health care for Atlanta-based Warbird Consulting Partners, said the delay will help businesses better prepare for a law that wasn’t adequately phased in and that has been surrounded by uncertainty from the start.

It wasn’t until a year ago last month that the U.S. Supreme Court upheld the insurance mandate.

“Nobody was able to do any planning,” Fenstermaker said. “The delay was a good thing from the standpoint of getting people to understand this.”

On the other hand, Fenstermaker said, delaying the employer mandate throws into doubt the other mandate in the law requiring individual Americans to have health insurance or pay a penalty, still due to take effect Jan. 1.

“I think it’s going to be difficult to implement the one without the other,” he said.

The online health-insurance exchanges Georgia and other states are developing could fill that coverage gap left by the lack of an employer mandate.

But Fenstermaker said individual consumers face a huge learning curve before the exchanges can be effective.

Reach Williams at davewilliams@bizjournals.com.