SB 845: Oregon's Healthcare Accountability Act

2015 Oregon Legislature

Most Oregon workers receive healthcare benefits from their employers and the Affordable Care Act sets a standard for what an affordable, employment-based healthcare plan must look like. Unfortunately employers can avoid ACA penalties by reducing wages, hours worked or both so that workers are no longer full-time, full-year employees under the ACA. Additionally, when employers have low wage workers on medical assistance programs rather than an employer-based plan, costs are shifted onto taxpayers. In fact, a recent report shows that taxpayers in Oregon subsidize corporations that don't provide adequate wages and benefits to their employees to the tune of $1.7 billion[i] annually due to low wage workers' dependence on public assistance programs.

SB 845 is a simple accountability measure to ensure that large employers are providing adequate healthcare benefits to their workers as required by the ACA, and that the state is recouping costs for medical assistance programs for workers that are receiving these benefits when their employer refuses to provide them.

What Does SB 845 Do?

- Defines large employers in line with the ACA requirements of 50 or more employees
- Exempts public employers
- Requires the Employment Department and OHA to coordinate on determining employers with workers on medical assistance programs
- Creates a simple formula for determining penalty for large employers with workers on medical assistance program
- Establishes "Employer Responsibility for Medical Assistance Trust Fund" to collect penalties paid by employers
- Allows for penalties collected from employers to pay for implementation of this bill and for the state's share of medical assistance costs for covered employees

The state of Oregon has many great employers that not only pay fair wages to their employees, but also provide adequate healthcare benefits. Unfortunately, there are bad actors looking to protect their bottom line rather than provide healthcare for their workers by reducing hours and using a loophole in the ACA. When this happens, taxpayers are left footing the bill as workers rely on public assistance for their healthcare. Oregon can do better, and the Healthcare Accountability Act can move us towards greater accountability and ensure workers have access to basic benefits as the ACA has intended.

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SB 845: Oregon's Healthcare Accountability Act

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Health Care Reform Five Years In, Mercer 3/17/2015[ii]

- Survey of nearly 600 employers conducted February 2015
- 27% of employers have taken some action to avoid increased enrollment

Changes made to workforce strategy to minimize enrollment growth	
Increased headcount so that more employees work fewer hours	2%
Reduced headcount	2%
Reduced hours of employees who consistently worked 30+hrs/wk	7%
Reduced hours of employees who occasionally worked 30+ hrs/wk	12%
Ensured that newly hired part-timers will work fewer than 30 hrs/wk	16%
Some other change in workforce strategy	10%
No change in workforce strategy	73%

Some Employers Cutting Part-Timers' Hours, SHRM Finds. Findings highlight the impact of the Affordable Care Act on its fifth anniversary, Society For Human Resources Management, 3/24/2015[iii]

- Survey of 743 HR professional from a randomly selected sample of SHRM members
- 14% of HR professionals said their organization had already reduced part-time hours, an additional 6% said they plan to do so, as a result of the ACA employer mandate.
- 3% of respondents had reduced or planned to reduce hours for full time employees.
- On average, among organizations that had reduced or planned to reduce their full or part time employees as a result of the ACA, 19% of employees at those organizations were affected

Reduction in Hours HR professionals were asked, "**As a result of the ACA employer mandate, has your organization considered reduction the number of hours worked for some full-time or part-time employees?"**		
	Part-Time Employees	Full-Time Employees
Yes, we have already reduced employee hours	14%	2%
Yes, we plan to reduce employee hours	6%	1%
Yes, but we have decided NOT to reduce employee hours	8%	6%
No, we have not considered reduction employee hours	72%	91%
Source: SHRM Survey Findings: Health Care Reform- 2015 Update		

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[i] http://lerc.uoregon.edu/wp-content/uploads/2015/01/2014-Oregon-Workforce-Report-The-High-Cost-of-Low-Wages-in-Oregon.pdf

[ii] http://www.mercer.com/content/mercer/global/all/en/newsroom/aca-broadened-eligibility-rules-have-little-impact-on-employee-enrollment-levels-in-2015.html

[iii] http://www.shrm.org/hrdisciplines/benefits/articles/pages/part-time-hours-cut.aspx

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HUFF POST BUSINESS

Walmart's New Health Care Policy Shifts Burden To Medicaid, Obamacare

Posted: 12/01/2012 10:14 am EST Updated: 12/01/2012 12:42 pm EST

Walmart, the nation's largest private employer, plans to begin denying health insurance to newly hired employees who work fewer than 30 hours a week, according to a copy of the company's policy obtained by The Huffington Post.

Under the policy, slated to take effect in January, Walmart also reserves the right to eliminate health care coverage for certain workers if their average workweek dips below 30 hours -- something that happens with regularity and at the direction of company managers.

Walmart declined to disclose how many of its roughly 1.4 million U.S. workers are vulnerable to losing medical insurance under its new policy. In an emailed statement, company spokesman David Tovar said Walmart had "made a business decision" not to respond to questions from The Huffington Post and accused the publication of unfair coverage.

Labor and health care experts portrayed Walmart's decision to exclude workers from its medical plans as an attempt to limit costs while taking advantage of the national health care reform known as Obamacare. Among the key features of Obamacare is an expansion of Medicaid, the taxpayer-financed health insurance program for poor people. Many of the Walmart workers who might be dropped from the company's health care plans earn so little that they would qualify for the expanded Medicaid program, these experts said.

"Walmart is effectively shifting the costs of paying for its employees onto the federal government with this new plan, which is one of the problems with the way the law is structured," said Ken Jacobs, chairman of the Labor Research Center at the University of California, Berkeley.

For Walmart, this latest policy represents a step back in time. Almost seven years ago, as Walmart confronted public criticism that its employees couldn't afford its benefits, the company announced with much fanfare that it would expand health coverage for part-time workers.

But last year, the company eliminated coverage for some part-time workers -- those new hires working 24 hours a week or less. Now, Walmart is going further.

"Walmart likely thought it didn't need to offer this part-time coverage anymore with Obamacare," said Nelson Lichtenstein, director of the Center for the Study of Work, Labor and Democracy at the University of California, Santa Barbara. "This is another example of a tremendous government subsidy to Walmart via its workers."

In pursuing lower health care costs, Walmart is following the same course as many other large employers. But given its unrivaled scale, Walmart's policies tend to influence American working conditions more broadly. Tom Billet, a senior consultant at Towers Watson, a professional services firm that works with large companies to develop benefit plans, said other companies are also crafting policies that will exclude some part-time workers from medical coverage.

Billet portrayed the growing corporate interest in separating out part-time workers as a reaction to another aspect of Obamacare -- the new rules that require companies with at least 50 full-time workers to offer health coverage to all employees who work 30 or more hours a week or pay penalties.

Several employers in recent months, including Darden Restaurants, owner of Olive Garden and Red Lobster, and a New York-area Applebee's franchise owner, said they are considering cutting employee hours to push more workers below the 30-hour threshold.

"In the past, firms were less careful about monitoring whether someone was full- or part-time," Billet said, noting that some of his clients were planning to track workers' hours more carefully. "I expect health plans like Walmart's won't be uncommon as firms adjust to this law."

For Walmart employees, the new system raises the risk that they could lose their health coverage in large part because they have little control over their schedules. Walmart uses an advanced scheduling system to constantly alter workers' shifts according to store traffic and sales figures.

The company has said the scheduling system improves flexibility and efficiency. But in recent interviews with The Huffington Post, several workers described their oft-changing schedules as a source of fear that they might earn too little to pay their bills. Many said they have begged managers to assign them additional hours only to see their shifts cut further as new workers were hired.

The new plan detailed in the 2013 "Associate's Benefits Book" adds another element to that fear: the risk of losing health coverage. According to the plan, part-time workers hired in or after 2011 are now subject to an "Annual Benefits Eligibility Check" each August, during which managers will review the average number of hours per week that workers have logged over the past year.

If part-time workers hired after Feb. 1, 2012, fail to reach the 30-hour threshold, they will lose benefits the following January, according to the book. Part-time workers hired after

Jan. 15, 2011, but before Feb. 1, 2012, must work at least 24 hours a week to retain coverage and will also be subject to an eligibility check each year. Those hired before 2011 aren't subject to the minimum hours requirements or eligibility checks.

As for full-time workers under the plan, those who lose hours and slip to part-time at any point during the year will see their spouses' health coverage dropped immediately. Those workers will also lose their dental and life insurance policies in the following pay period, according to the plan.

Some Walmart workers who are excluded from the company's health care plans are likely to become eligible for Medicaid under the Obamacare expansion, which aims to replace a patchwork of standards now set by individual states with one minimum federal threshold -- income below 133 percent of the federal poverty line, which for an individual currently comes to $14,856. However, the Supreme Court ruled earlier this year that the decision to expand the program is voluntary for the states. At least eight states, including Texas, have said they will not expand the program, which would leave Walmart workers there with one less option.

Part-time workers who lose their Walmart insurance but earn too much to qualify for Medicaid should be able to buy insurance through the health care exchanges to be established under Obamacare -- essentially, online marketplaces offering an array of health care plans.

For workers who do qualify for health coverage under Walmart's new policy, the latest package represents an upgrade over previous plans. Walmart's health plans began covering 100 percent of spine and heart surgeries this year at select hospitals and medical centers. They also include a smattering of preventative care services required by Obamacare.

But the company's plans still leave many workers facing significant financial distress in the event of major illness. Under the new policy, one major offering, the so-called Health Reimbursement Account Plan, costs nonsmoking workers $34.80 a month -- a seemingly affordable sum. Yet it comes with an annual deductible of $2,750, a hefty expense given that half of Walmart's hourly workforce earns no more than $10 an hour.

While a shifting of Walmart employees to Medicaid rolls may increase the burden on American taxpayers, it is likely to be a better deal for the workers themselves.

"The packages Walmart is providing for low-income people aren't offering very much coverage except for catastrophes," said Linda Blumberg, a senior fellow at the Urban Institute, a left-leaning think tank. "It's likely they'll be better off going with a government-sponsored plan."

Forbes

12/09/2012 @ 4:43PM 215,154 views

Walmart Bails On Obamacare-Sticks Taxpayers With Employee Healthcare Costs

After making a big deal of publicly supporting the Affordable Care Act, Walmart—the nation's largest private sector employer—is joining the ranks of companies seeking to avoid their obligation to provide employees with health insurance as required by Obamacare.

It was not all that many years ago that Walmart announced, in response to harsh criticism over the low pay provided to Walmart 'associates', that the company would provide a healthcare benefit to its part-time, low earning employees. The uncharacteristically generous nod to worker needs was short lived as the company partially pulled back on the commitment in 2011, citing premium rate increases that Walmart deemed beyond their capacity to pay.

Now, Huffington Post is reporting that the party is over for many more existing Walmart employees, along with *all* employees hired after February 1, 2012 that the company can classify as "part-time."

According to the 2013 Walmart "Associate's Benefit Book"— the manual for low-level Walmart employees—part-time workers who got their jobs during or after 2011 will now be subject to an "Annual Benefits Eligibility Check" each August.

Employees hired after Feb. 1, 2012, who fail to average the magic 30-hours per week requiring a company to provide a healthcare benefit, will lose their healthcare benefits on the following January. Part-time workers hired after Jan. 15, 2011, but before Feb. 1, 2012, will be able to hang onto their Walmart health care benefit *if* they work at least 24 hours a week.

Anyone hired before 2011 will not be cut off from the company provided health insurance.

Of course, Walmart carefully controls employee work schedules and will have the opportunity to design worker hours in a manner that will keep employees at a level below the threshold required to accomplish company healthcare benefits pursuant to the law.

While there have been increasing reports of American employers reacting to the requirements of the Affordable Care Act by making plans to cut employee work hours so that these companies may deny health insurance as a benefit of employment—particularly in the restaurant and fast food industries—it appears that Walmart has been planning this move all along.

How else can you explain why, as early as 2009, Walmart surprised us all when they publicly expressed their support for Obamacare by joining with such unlikely partners as the Center For American Progress and the SEIU labor union to promote the passage of the Affordable Care Act—only to now use the law as a tool for ridding itself of the obligation to provide a healthcare benefit for many of its associates?

In a letter to President Obama, dated June 30, 2009, Walmart wrote, "*We are for shared responsibility. Not every business can make the same contribution, but everyone must make some contribution. We are for an employer mandate which is fair and broad in its coverage, but any alternative to an employer mandate should not create barriers to hiring entry-level employees. We look forward to working with the Administration and Congress to develop a requirement that is both sensible and equitable.*"

Apparently, Walmart's idea of 'shared responsibility' is to allow the American taxpayer to pick up the tab for Walmart's low-paid workers when these folks avail themselves of Medicaid coverage while Walmart hangs on to all the money they save by blowing off their responsibility to provide health care to these workers.

Clearly, Walmart's support for Obamacare was predicated on their understanding (all too well) that the provisions of the law requiring employers with more than 50 workers to provide employee health care benefits to full time workers could be easily avoided by their business model, while the expansion of the Medicaid program to include uninsured Americans earning below 133 percent of the poverty line would create a perfect opportunity for the giant retailer to foist their obligations onto the backs of the American taxpayer.

Walmart saves a bundle, courtesy of the American taxpayer—all of which drops directly to Walmart's already sizable bottom line and we pick up the tab.

Nice.

There were a few who saw this coming—most notably progressive blogger Marcy Wheeler who wrote on her emptywheel.net blog on September 11, 2009;

"In other words, the one way–just about the only way–a large employer can dodge responsibility for paying something for its employees is if its employees happen to qualify for Medicaid. Under MaxTax, Medicaid eligibility will be determined by one thing: whether a person makes less than 133% of the poverty rate. And who has the most control over how much a particular person makes? Their employer!

So if Wal-Mart wanted to avoid paying anything for its employees under MaxTax, it could simply make sure that none of them made more than $14,403 a year (they'd have to do this by ensuring their employees worked fewer than 40 hours a week, since this works out to be slightly less than minimum wage). Or, a single mom with two kids could make $24,352–a whopping $11.71 an hour, working full time. That's more than the average Wal-Mart employee made last year. So long as Wal-Mart made sure its employees applied for Medicaid (something it already does in states where its employees are eligible), it would pay nothing. Nada, zip. Nothing."

You have to hand it to Ms. Wheeler who had this nailed from the start.

As Nelson Lichtenstein, director of the Center for the Study of Work, Labor and Democracy at the University of California, Santa Barbara notes, "This is another example of a tremendous government subsidy to Walmart via its workers."

While Walmart was very clever in appearing to be responsible corporate citizens while really backing a law that would allow the American people to subsidize their already enormous profits, what nobody contemplated back in 2009 was the ruling of the United States Supreme Court that limits the Medicaid expansion to only those states electing to participate.

As a result, Walmart employees who will either lose their health care coverage or never qualify in the first place—thanks to the company's messing with their work schedules—and live in states that have decided to reject the Medicaid expansion, will find themselves without any help whatsoever when it comes to accessing health care for their families.

So, the next time you drive over to the local Walmart to take advantage of their "guaranteed low prices"—or instruct your broker to pick up a few shares of the world's largest retailer—you might give some thought to what is making it possible for you to take advantage of all the great prices or make a few bucks as the company's stock rises.

The bargains over on aisle 3 will be yours for the taking thanks to workers all over America who will be unable to provide decent healthcare to their families or will do so only as a result of your taxpayer dollars.

And if you are not a Walmart shopper?

No worries. You and I will still be granted the great privilege of subsidizing Walmart's billions in profits—$15.7 billion in profits last year alone—as we pick up the tab for those employees who are lucky enough to qualify for Medicaid or actually buy a policy on the healthcare exchange thanks to the government subsidies.

Apparently, it remains our civic obligation to see to it that profits pour in for the Walton heirs who continue to control Walmart—heirs whose combined wealth exceeds the total wealth of the bottom 40 percent of Americans.

As for Walmart's support for Obamacare?

I suppose we should have read the fine print as Walmart's concept of 'shared responsibility' clearly leaves a little something to be desired.

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seattlepi

Will Obamacare Turn America Into a Nation of Part-Time Workers?

Sean Williams, The Motley Fool

Published 3:45 pm, Thursday, April 25, 2013

In eight months and a hair over one week the Patient Protection and Affordable Care Act, also known as Obamacare, will go into full effect. The PPACA is asweeping reform of our current health-care system aimed squarely at keeping premiums from skyrocketing; holding insurance companies accountable for the premiums they bring in by insuring they spend at least 80% of those dollars on patient care; and mandating that individuals and large businesses take responsibility for themselves and their employees by carrying health insurance or providing group coverage.

Obamacare: Friend or foe?
Earlier this month, I decided to take a walk on both sides of the aisle to point out the benefits and the drawbacks of Obamacare. Make no mistake about it -- there *are* benefits and there *are* weaknesses to the bill. But perhaps no aspect of Obamacare works out as more controversial than the insurance mandate.

On a personal level, the insurance mandate is pretty clear. By law you are required to carry insurance -- buy it or face a tax penalty, which will incrementally increase to 2.5% of your adjusted gross income by 2016. Looking at it from a business perspective is where things get a lot trickier.

For businesses with fewer than 50 employees, no such rules are in place to require them to provide health coverage to employees. Where things go a bit haywire is when you get into larger corporations. Large corporations, under the PPACA, will be required to provide insurance to full-time employees that meet the basic minimum standards under the new law. Employers aren't required to pay for any of a full-time employees' insurance; however, they will be penalized between $2,000 and $3,000 per employee for each situation where health costs wind up exceeding 9.5% of that employee's income. If these businesses choose not to offer health insurance whatsoever, they will face a stiff $2,000 fine per employee.

As you might imagine, the reaction among the nation's largest businesses has been mixed in response to the passing and upholding of the PPACA by the Supreme Court.

Now hiring, part-time only
In one corner, we have businesses across a myriad of sectors that have made no qualms about reducing their headcount or rolling back their employees' hours in order to reduce their exposure or skirt the system entirely. Reconstructive, medical, and surgical device maker**Stryker** made the very unpopular decision to eliminate 5% of its workforce in November 2011 in order to reduce its expenses by more than $100 million annually because of the now-in-effect 2.3% medical device excise tax. Yet an even scarier scenario for America's workforce exists that isn't tied to layoffs or

even outsourcing -- it's the threat of being bumped into the part-time category.

Part-time workers fall into the gray area of the PPACA in that only full-time employees of corporations numbering 50 or more persons are required to be covered. Businesses are under no obligation to offer health care benefits to part-time employees, nor will they be penalized by the federal government for not doing so. What this has done is create the impetus for a dramatic shift from full-time to part-time workforces.

One industry where this move is readily apparent is in the fast-food industry. CKE Restaurants -- owner of Carl's Jr. and Hardee's, which was purchased by **Apollo Management** in 2010 -- began hiring considerably more part-time workers last year to replace any full-time turnover. Similarly, but on a smaller scale, 11 franchised **Wendy's** locations in Nebraska cut back hours for about 300 non-management employees in January of this year in order to skirt the increasing costs associated with Obamacare.

However, this isn't just limited to the fast-food industry. **Darden Restaurants** , which operates Red Lobster and Olive Garden, was one of the first companies last year to adopt a strategy that focused on hiring more part-time employees. **Regal Entertainment** , the nation's largest movie theater chain, reduced hours for thousands of non-salaried employees this month to put them under the 30-hour full-time threshold -- and it blamed Obamacare as the direct culprit for the cost-saving maneuver.

The problem for employees being bumped back to part-time is threefold. First, reduced hours will mean a reduced paycheck. Chances are that these are employees already being hurt by the rollback of the payroll tax holiday, and they likely won't be welcoming a cutback in hours. Second, it potentially reduces their chance of having part of their insurance paid for by the company they work for. Certain individuals will fall under the Medicaid expansion based on their income, but middle-class individuals being moved into part-time status will be stuck in individual mandate limbo. Finally, part-time schedules -- and I speak first-hand here from my college days -- are incredibly unaccommodating. You don't make enough at one job, but finding a second job can be nearly impossible because of the ever-changing hours.

These companies are standing their ground

Then we have the other side of the coin, which assumes that businesses will do what's right, take care of their employees, and value quality above all else. We've seen certain companies -- also across a myriad of sectors -- stick to their guns and not change their hiring standards just because of Obamacare's looming implementation.

One such company is warehouse retailer **Costco** , which pays reasonably high wages to its workforce and offers health benefits to full- and part-time employees. The PPACA actually fits in perfectly with what Costco has been doing for employees all along. Another prime example, according to The Wall Street Journal, is **Marriott International** . The hotel business is all about building personal relationships, and Marriott's management understands that full-time, trained, employees are the key to building rapport and long-term relationships with their guests.

Further supporting these "good guys," as my Foolish colleague Steve Heller dubbed them in December, is a study from the Minneapolis Fed released last month that showed only 4% of employers had shifted their hiring to more part-time workers in response to Obamacare. Of the remaining 96%, 7% of respondents planned to shift to more part-time hires between now and the PPACA's implementation, while a whopping 89% claimed to have no intention of changing their hiring strategies in the wake of implementation.

Are we going to become a nation of part-time workers?

I believe the correct answer here to be "definitely maybe." While I don't think we'll see a dramatic shift to part-time employment, I also wouldn't be shocked to see certain business sectors pull what Regal Entertainment did to its employees, either. The primary criteria that will determine whether a business chooses to scale back hours for its workforce, or seek to hire more part-time employees, will be based on the skill set needed to perform a task, and the importance of the customer relationship derived from those tasks.

Take the fast-food industry, for instance. Fast-food is known for exceptionally high employee turnover and a relatively young work crew. Having a significantly higher amount of part-time hires here would make sense given that a number of employees are likely to still be in some form of school (limiting their hours from the get-go), and few, if any, of the tasks require a degree or high levels of specialization. In addition, the amount spent per meal is negligible enough that fast-food restaurants can rely on promotions and advertising to drive customers back to its stores rather than solely relying on customer service aspects.

Conversely, high-skill-set jobs and those that require employees to build relationships with customers are unlikely to be affected by the implementation of Obamacare. This would mean that the majority of employees in the health-care field would be well-protected from having their hours cut. It would also mean that highly interpersonal sales jobs would be protected as well, because it's relationships and the customer's experience that keeps that individual coming back into the store.

What are your thoughts? Will Obamacare cause a dramatic increase in part-time workers or will businesses welcome this change? Share your ideas in the comments section below.

KATU.com

Waitress says she's losing full-time status due to 'Obamacare' rule

By *Steve Benham, KATU.com Politics Editor* | Published: Jul 18, 2013 at 7:20 AM PST (2013-07-18T15:20:48Z) | Last Updated: Jul 18, 2013 at 5:28 PM PST (2013-07-19T1:28:29Z)

In this March 23, 2010 file photo, President Barack Obama signs the health care bill in the East Room of the White House in Washington. (AP Photo/J. Scott Applewhite)

PORTLAND, Ore. – She works hard on her graveyard shift and is on her feet the entire time. Sometimes she has to serve customers who are less than polite.

Working in the restaurant business isn't easy. A late-night rush can hit like a flash flood, creating stress and a mess. But she's good at what she does – experienced – and any disarray is temporary. The restaurant is soon back in shape as if nothing happened.

But this Shari's waitress, who currently doesn't have health insurance, says her Portland-area restaurant cut her from full time to part time in response to the Patient Protection and Affordable Care Act, also known as "Obamacare."

Now, paying the bills becomes more difficult, increasing stress and uncertainty in her life.

Shari's, based in Beaverton (http://www.sharis.com/), isn't alone in the industry in trying to figure out how to comply with the new federal health care law. And there are signs nationwide that an industry that traditionally depends heavily on part-timers is now going to depend on them even more as restaurants prepare for the new law.

The Shari's waitress, who spoke on the condition her name and the restaurant she works at not be used for fear of retaliation from her employer, says her hours dropped from between 37 to 40 a week to 27 to 29 a week. The new law will require companies that employ 50 or more employees to provide their workers with health insurance if they work an average of 30 hours a week or more. If companies don't, they'll be assessed fines.

In a written statement to KATU.com, Shari's vice president of marketing, Michael Kiriazis said, "We're not cutting hours or shifts," adding that Shari's will be hiring more workers over the next year as well as tripling the number of employees covered under the company's health care plan.

However, the company has sent several brochures to their employees with their paychecks over the past several months explaining the new health care law and its effects on them. In one titled, "Shari's and Health Care Reform: Changes Coming at Shari's," it tells employees that while the company expects most hours for them to remain unchanged or increase, part-time positions will be added "in all areas to make up for hours that are reduced for some employees."

In a follow-up email, Kiriazis was pressed to explain the apparent discrepancy between his statement that said Shari's is "not cutting hours or shifts" and the brochure, which stated part-time workers will be added to cover "hours that are reduced for some employees."

In the same email, Kiriazis was also pressed to explain how it will be possible for Shari's to expand the number of employees partially covered by the company's health care plan while at the same time adding more part-time employees.

He would not comment about that other than to say he couldn't possibly calculate how many hours each of the company's almost 4,000 employees will work a week.

He said since Shari's employees don't speak for the company, he can't comment on what they tell the media.

Kiriazis said Shari's is shifting its workforce "back to previous industry standard(s), comprised mostly of part-time workers," before the recession and the new health care law.

He also said the Obama administration's one-year delay of the employer mandate to provide employees with health insurance who work more than 30 hours a week has not changed the company's plans or timeline in how it deals with the new law.

"We're continuing with providing affordable health care to our full-time employees because it's the right thing to do, not because it's mandated," he wrote.

According to its website, Shari's has 100 restaurants in seven Northwestern states.

thereby transforming the nation's workers into a force of part-timers.

On Sunday, The Wall Street Journal reported (http://online.wsj.com/article/SB10001424127887324694904578601922653718606.html) that some owners of restaurants, including an owner of 10 Subway shops in Michigan, are relying more on part-time help as a result of the new law. The newspaper also reported that the owner of Carl's Jr., CKE Restaurants Inc., is using part-timers to replace many full-time employees who leave their jobs. And an owner of 11 Del Taco restaurants in Denver is turning his full-time workforce into mostly a part-time one.

The government's announcement of the employer-mandate delay that favored business does not ease the anxiety of the Shari's waitress. She says she now must find a second job to help pay the bills within her already tight budget.

"I have to find another job," the waitress, who rents a house with her daughter, says. "I'm trying – immediately. If I can't find another job within a month, I don't even want to think about what's going to happen."

Working two or more jobs will be difficult, she says, because she'll have to juggle competing schedules. Additionally, she's over 50 and is anxious about finding a new job at her age.

She says at her restaurant at least three other employees have had their hours reduced below the 30-hour threshold. The number of employees affected at each restaurant varies, she says, depending on different needs.

While some of her anger is directed at her employer, most of it is aimed at the law intended to help her and others like her who don't have health insurance.

When asked how she feels about Obamacare, she responded flatly, "Horrible ... Before now, I didn't even know about it. I feel like it snuck up on me."

She acknowledges she didn't vote in the last presidential election – a contest where Republican presidential challenger Mitt Romney vowed to repeal the health care law, even if it was almost the same legislation he signed as governor of Massachusetts.

She was fed up with the politics of both parties.

Bill Perry, vice president of government affairs, with the Oregon Restaurant and Lodging Association (http://www.oregonrla.org/) says he "anecdotally" knows that some restaurants in Oregon are cutting full-time employees in Oregon in favor of part-time ones.

He says there are two basic concerns for the industry regarding the health care insurance changes: the federal government has not yet released implementation regulations and it is not known yet how many employees will want health insurance through a company plan.

Because the penalty for someone who chooses to forgo having health insurance will be $95 in 2014, Perry says employees may choose that option instead of paying $100 or $200 a month in premiums for health insurance.

"In order to have a business plan, currently, almost all of the (insurance) carriers say you have to have at least 70 percent participation of your employees," he says. "That's why a lot of our members don't have plans. They don't have plans today, not because they don't want to offer them, but that they can't get enough employees to participate to have a plan available."

But the penalties for adults who choose to remain uninsured will increase to $325 in 2015 and $695 in 2016. Those increases may drive workers to seek health insurance, which if not supplied through their employer, can be found through state exchanges.

In Oregon, the exchange is called Cover Oregon (http://coveroregon.com/). Open enrollment for individuals, families and small businesses begins in October.

Some large national restaurant chains appear to be handling the health care law without cutting their full-time staff.

Darden Restaurants Inc., which owns, among other well-known restaurants, Olive Garden and Red Lobster, announced late last year (http://investor.darden.com/investors/news-releases/press-release-details/2012/Darden-Provides-Update-on-its-Restaurant-Staffing-Plans-Under-Healthcare-Reform-Company-Announces-Commitments-to-its-Current-/default.aspx) that it had figured out how to operate under the new law without changing the status of its 45,000 full-time employees.

While the industry makes its own decisions in what to do, the Shari's waitress has also vowed to act: She says she plans to write her representatives in Congress and even President Barack Obama.

"I don't foresee (Obamacare) helping me out at all," she says. "When I'm forced to get insurance, how am I supposed to afford that? I can't even afford health insurance now, let alone then."

Nightly News | **August 13, 2013**

Businesses cut employees' hours, blame new insurance mandate

The Affordable Care Act employer mandate to provide health insurance to anyone working 30 or more hours a week hasn't been implemented yet, but that hasn't stopped some businesses from cutting back on employees' hours to avoid paying healthcare costs. NBC's Lisa Myers reports.

http://www.nbcnews.com/video/nightly-news/52748658#54337348

This content comes from Closed Captioning that was broadcast along with this program.

We're learning more tonight about some of the unintended consequences of the affordable care act which the president himself now calls Obamacare. Some workers who thought it meant they would finally get health insurance are instead getting hit with a double whammy. No insurance, and a pay cut. We get the story tonight from our senior investigative correspondent Lisa Myers.

Luke has worked at a subway franchise in Maine for a decade. But he recently was told his hours would be cut to 29 a week.

"It's very tough. I'm scratching by as it is with overtime."

Luke's boss, who owns 21 subway franchises, says it's all because of the new health care law. Employers must provide health insurance to anyone working 30 or more hours a week. Goodrich says his small business can't afford that.

"Losing five or six hours a week, that's $50, $60, a week or a couple hundred dollars a month. That's a car payment."

Reporter: we spoke to almost 20 small businesses and other entities around the country, all said because of the new law, they would be cutting back hours for some employees."

Reporter: at St. Petersburg college in Florida, 250 part time professors have had their hours reduced.

"It's been the hardest decision I've had to make, and I hope that we can work our way through it to a better answer than we're able to give today."

Part time math professor Tracy Sullivan lost half her income.

“I never thought it would impact me directly. I was stunned when I got the e-mail.”

The white house dismisses these examples as anecdotal. The top economic adviser told us he sees no systematic evidence, the health care law is having an adverse impact on the number of hours the employees are working.

“This isn't a problem, it's not happening.”

It is happening.

Reporter: Joseph Hanson is president of the union that supports Obamacare. Discount stores already are cutting workers to 29 hours, and unionized grocery stores want to follow suit.

“Wait a year, you'll see a tremendous impact as workers have their hours reduced and their incomes reduced.”

Reporter: the White House has delayed the employer mandate for a year, but many businesses are still preparing for the cuts.

Lisa Myers , NBC news, Kennebunk, Maine.

Wellness Plans, Retirement and Adjunct Health Care: A Survey of Chief HR Officers

October 25, 2013
Colleen Flaherty and Doug Lederman

Benefits are a burgeoning battleground in higher education -- Pennsylvania State University's effort to impose monthly surcharges on employees who smoke or don't get regular physical exams, for instance, and colleges restricting the hours of adjunct instructors to avoid a new federal requirement to give them health insurance -- and human resources officers are in the thick of it.

Three in five chief human resources officers support a Penn State policy, now suspended, that would have imposed a $100 monthly health insurance surcharge on employees who didn't have annual physical exams, and more than two-thirds favor another Penn State policy that imposes a $75 monthly fee on smokers.

Nearly half of senior HR administrators say their campuses have limited the work of adjunct faculty members to keep them under the number of hours at which the Affordable Care Act would require their institutions to provide health insurance, and a third of the remainder say they are considering imposing or enforcing such limits.

About the Survey

Inside Higher Ed's 2013 Survey of College and University Human Resources Officer was conducted in conjunction with researchers from Gallup. *Inside Higher Ed* regularly surveys key higher ed professionals on a range of topics. A copy of the report can be downloaded here.

On Nov. 13, *Inside Higher Ed* conducted a free webinar to discuss the results of the survey. Editor Doug Lederman and Sabrina Ellis of George Washington University analyzed the findings and answered readers' questions. To view the webinar, please click here.

The *Inside Higher Ed* survey of chief HR officers was made possible in part by advertising from TIAA-CREF.

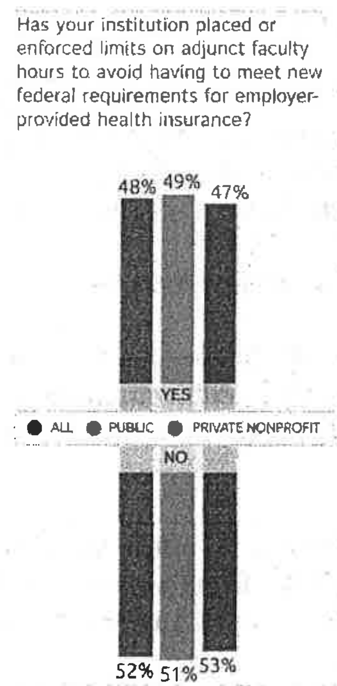
And while more than half of CHROs say their institutions compensate adjunct instructors fairly, they are divided on whether the benefits they give to adjuncts are appropriate.

Those are among the major findings of *Inside Higher Ed*'s second Survey of College and University Human Resources Officers, released today in advance of this weekend's annual meeting of the College and University Professional Association for Human Resources, in Las Vegas. The survey presents the views of campus chief human resources officers on a range of timely topics. The online survey, conducted by Gallup in September 2013, was completed by a total of 399 college and university HR leaders. A copy of the survey report can be downloaded here.

Among the highlights of the survey, in addition to the CHROs' perspectives on wellness surcharges and adjuncts:

- About 7 in 10 HR officers say they are very or moderately concerned about health care costs for retirees.
- Just one-quarter of HR officers say employees at their institutions "have sufficient knowledge and understanding about issues related to retirement."
- Asked to rate a set of issues to which they are now paying more attention than they have in recent years, implementing performance evaluation measures ranked high. But while HR leaders were evenly divided on whether they have the data they need to effectively evaluate employee performance, less than a quarter said they believed their colleges use the data they have to make planning and policy decisions.

Adjunct Benefits and Compensation



Starting last year, adjuncts across the country began to see their teaching hours capped as institutions attempted to limit the number of employees working 30 hours or more each week – what is considered "full time" and therefore benefits-eligible under the Affordable Care Act.

Higher education groups, such as the American Association of Community Colleges, advised institutions not to act on the plan before the Internal Revenue Service offered guidance on what would constitute full-time under the law in academe, where professors work credit hours, not standard work hours. But such advice was slow in coming, and short on detail -- the IRS eventually asked colleges to use "reasonable" metrics for determining what's full-time -- when it arrived. Consequently, many institutions continued to act on their own -- even as the Obama administration delayed by one year the so-called employer mandate, under which large businesses will have to offer full-time employees health insurance or be fined, until January 2015.

Inside Higher Ed's survey reveals just how widespread the practice has become. Some 48 percent of respondents say their institutions already have placed or enforced limits on adjunct faculty to avoid having to meet new federal requirements of employer-provided health insurance. Respondents from public and private institutions were equally likely to say they had imposed limits, but responses varied by sector among public institutions. More than two-thirds of officers at associate degree-granting colleges say they have imposed caps, compared to just 29 percent of officials at doctoral, master's and baccalaureate institutions.

Just 38 percent of human resources chiefs said they're delaying such caps due to the White House's extended deadline for employers to offer insurance to full-timers. For those whose institutions have not already capped hours, 35 percent say they are considering doing so.

That didn't surprise adjunct advocates, including Maria Maisto, president of the New Faculty Majority, a national organization promoting adjunct issues. She said the results were consistent with the group's own data on the matter.

Conlon, the employment consultant at Sibson, said he was unsurprised that institutions were taking advantage of the "glaring" loophole provided in the federal health care law, and that doing so was understandable from a competitive standpoint. "If you don't, you're behind, and you can't compete. You're now taking on additional costs, and unless you're an Ivy or other rich institution, you can't afford to do that."

He added: "Am I saying it's the right thing to do? No. But is it the logical thing to do? Yes."

But it's "a shame" nonetheless, said Gary Rhoades, professor and director at the Center for the Study of Higher Education, in an e-mail. "[Instead] of modeling best practices in the employment of contingent employees, most colleges and universities are moving to violate the spirit of the [Affordable Care Act] and modeling the worst of private sector practices in not paying health benefits to valuable members of their instructional work force."

When it comes to overall compensation for adjunct instructors, a little more than half of respondents strongly agree or agree that their institution pays such faculty members fairly. Those at public institutions were twice as likely to "strongly agree" (31 percent) than were their counterparts at private institutions (15 percent), and respondents at public, associate-degree-granting institutions were most likely to "strongly agree" (38 percent).

Adjuncts are largely excluded from employee benefits: Just a quarter of respondents (24 percent) say their institution offers health care insurance for such faculty. HR officers appear divided, though, about whether their policies are appropriate: 17 percent strongly agree and 21 percent agree that their institutions provide adjuncts "an appropriate benefits package," while almost as many do not (18 percent disagree, and 15 percent strongly disagree).

Despite those numbers, Rhoades said adjuncts remain "the working poor," and that their pay in relation to full-time faculty "diminishes us as a profession and an academy."

Adrianna Kezar, a professor of higher education at the University of Southern California and director of the Delphi Project on the Changing Faculty and Student Success, which studies adjunct issues in relation to student outcomes, said that unions could explain why adjuncts seemed to fare better over all at public institutions, according to the survey; adjuncts at public institutions are more likely to be unionized than are their counterparts at private colleges and universities, and unions lead to better working conditions for adjunct faculty.

Still, she said via e-mail, "it is surprising to hear anyone say adjuncts are well paid as report and data set after data set show pay is inequitable, so their views do not match reality." That is especially true for the many adjuncts who string together courses, sometimes at multiple institutions, to work full-time. That is in contrast to the traditional notion of moonlighting adjuncts -- such as lawyers or doctors who teach one or two classes a week on the side -- that human resources leaders may have in mind.

"I guess what we need to know is what they consider a fair or equitable wage," Kezar added.

Like Kezar, Maisto pointed to a "clear disconnect" between the survey responses and reality for many adjuncts. The survey "really seems to show that HR managers really do not seem to understand the nature or importance of faculty work -- why benefits, job security and due process for faculty are critical components of quality education for students," she said.

Beyond benefits and pay, 18 percent of respondents strongly agree that their institution has appropriate job security and due process protections for adjunct professors. Some 27 percent agree, while 10 percent strongly disagree.

John Curtis, director of research for the American Association of University Professors, took issue with that finding. "In my experience, very few institutions without a union for part-time faculty members provide any real job security or due process protections," he said via e-mail. "We need to bear in mind that most part-time faculty members are defined by their institutions as essentially 'temporary' employees, with an appointment for a single term and a specified course or courses -- even when they may be hired on that basis again and again."

So, he said, institutions may not frequently remove an adjunct in the middle of a term, but "generally feel free to simply not rehire him or her without providing any reason or notice."

Benefits They Offer (and Should)

HR officers were asked to identify the benefits their institutions offered, and the five (of 12 total) listed by the most respondents were financial support for enrollment in higher education courses (93 percent), family-friendly work place policies (78 percent), wellness programs (81 percent), financial support for employees' children to pursue higher education (77 percent), and non-health-care benefits for opposite-sex domestic partners.

Respondents were also asked to say which of the same set of 12 benefits they thought their institution *should* offer. The table below shows the five benefits that showed the biggest gaps in the proportions of HR directors that said their institutions did and should offer the benefit.
Read more: http://www.insidehighered.com/news/survey/wellness-plans-retirement-and-adjunct-health-care-survey-chief-hr-officers#ixzz2syUPml00
Inside Higher Ed

CAREERS

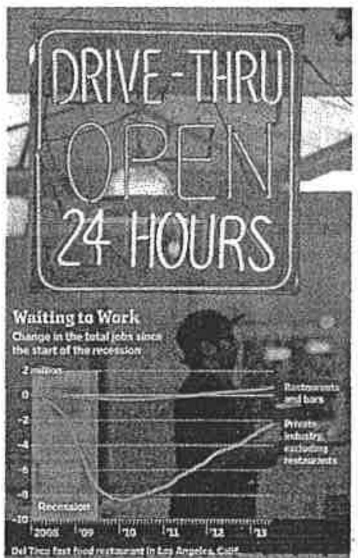
Restaurant Shift: Sorry, Just Part-Time

More Restaurants Replace Full-Timers, Concerned About Insurance

By JULIE JARGON, BRENDA CRONIN and SARAH E. NEEDLEMAN
July 14, 2013 6:46 p.m. ET

Ken Adams has been turning to more part-time workers at his 10 Subway sandwich shops in Michigan to avoid possibly incurring higher health-care costs under the new federal insurance law.

He added approximately 25 part-time workers in May and June as he reduced some employees' hours and replaced other workers who left. The move showed how efforts by some restaurant owners and other businesses to remake their workforces because of the Affordable Care Act may be turning the country's labor market into a more part-time workforce.



Del Taco fast food restaurant in Los Angeles, Calif.
Sources: Labor Department (data); Reuters (photo) The Wall Street Journal

Restaurants and bars have been adding an average of 50,000 jobs monthly since April—about double the rate from 2012. In June, they added a seasonally adjusted 51,700 jobs, up from May's 47,900 tally, but below April's 51,800. Overall, leisure-and-hospitality establishments hired more workers than any other industry in June, accounting for 75,000 of the 195,000 jobs added last month, according to the most recent Labor Department report, although economists cautioned against reading too much into one month's preliminary figures.

Views differ on exactly what is driving the hospitality industry's pickup. Other factors likely also were behind it, including the addition of new restaurants as well as a move to staff up hiring after scaling back during the downturn, according to some restaurant owners and industry experts. But a number of restaurants and other low-wage employers say they are increasing their staffs by hiring more part-time workers to reduce reliance on full-timers before the health-care law takes effect.

"I'd be surprised if the Affordable Care Act didn't have something to do with" the pickup in part-time hiring, said Paul Dales, senior U.S. economist at Capital Economics. "Companies don't want to pay for health care unnecessarily if they can avoid it, so they'll try to avoid it." However, he said "the effects will be harder to discern in the data."

Mindful of health insurance, CKE, which owns the Carl's Jr. chain, last year began hiring part-timers to replace full-time staffers who left. *Associated Press*

For the entire U.S. workforce, employers have added far more part-time employees in 2013—averaging 93,000 a month, seasonally adjusted—than full-time workers, which have averaged 22,000. Last year the reverse was true, with employers adding 31,000 part-time workers monthly, compared with 171,000 full-time ones.

The Affordable Care Act requires employers with 50 or more full-time equivalent workers to offer affordable insurance to employees working 30 or more hours a week or face fines. Some companies have said the requirement could increase their costs significantly, although others have played down the potential hit.

The cost for small firms to comply with the health law will depend largely on the number of additional full-time employees that sign up for employer-sponsored coverage. Average annual premiums for employer-sponsored health insurance in 2012 were $5,615 for single coverage and $15,745 for family coverage, according to the Kaiser Family Foundation. That is up from $3,083 and $8,003, respectively, in 2002.

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This month, the Obama administration announced a one-year reprieve—to 2015—on penalties for employers who don't meet the new health-coverage requirements. The administration said it was holding off on business penalties to give companies more time to adjust to the law's provision but hoped that companies would still comply with the intent of the law during 2014.

The administration says the law ultimately will help businesses by allowing them to pool risk with other smaller businesses in order to get more competitive rates. "The health-care law will decrease costs, strengthen small businesses and make it easier for employers to provide coverage to their workers, as we saw in Massachusetts, where employer coverage increased when similar reforms were adopted," said Joanne Peters, spokeswoman for the Department of Health and Human Services.

Restaurant owners who have already begun shifting to part-time workers say they will continue that pattern.

"Does the delay change anything for us? Absolutely not," Mr. Adams of Subway said, explaining that whether his health-care costs go up next year or in 2015, he will have to comply with the law. "We won't start hiring full-time people."

Audio

Brenda Cronin and WSJ's Mathew Passy discuss the potential shift

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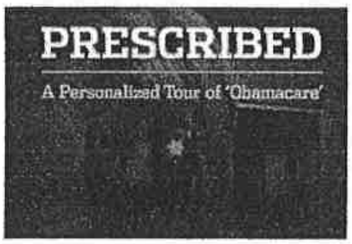
CKE Restaurants Inc., owner of the Carl's Jr. and Hardee's hamburger chains, last year began hiring part-time workers to replace full-time employees who left and as a result has boosted its overall workforce, though the company declined to specify how much. "Since passage of the ACA, we've increased the number of our part-time employees, although we haven't fired people to do so," said CKE Chief Executive Andy Puzder. White Castle Management Co., which has more than 400 burger restaurants, said it is considering hiring only part-time workers.

Ethan Harris of Bank of AmericaMerrill Lynch is skeptical that health-care-related hiring by restaurants affected the overall jobs numbers. "Some companies have started this spring to redesign their workforce to keep people" beneath 30 hours a week, he said, "but it should be reflected in the average work week…and it is just not showing up in the data."



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The average workweek for restaurant and bar staff has ticked up slightly this year through May to 25.6 hours, from 25.5 in 2012 and 25.1 in 2007, the year the recession took hold.

Mr. Harris said restaurant employment rolls might have risen partly because more Americans in a wobbly economy are willing to take jobs that previously were filled by undocumented workers and therefore weren't counted.

The numbers also likely reflect a stronger economy.

Restaurant chains including Panera Bread Co. and Wendy's Co. have been adding full- and part-time employees because they have been growing. Chipotle Mexican Grill Inc. plans to open 165 to 180 restaurants this year, spokesman Chris Arnold said. "That, coupled with normal turnover, means we are always hiring," he said.

Still, some operators said their hiring of part-timers is driven by the health-care overhaul. Rod Carstensen, owner of 11 Del Taco restaurants around Denver, began in April converting his mostly full-time workforce into one comprising mostly part-time help to minimize his health-care costs. He estimates the costs could have climbed by as much as $400,000 a year without the change.

Mr. Carstensen had 180 full-time and 40 part-time workers and is in the process of switching to 80 full-time and 320 part-time workers who clock no more than 28 hours per week. He is plowing ahead despite the Obama administration's reprieve, he said, because "we need to get there anyway, and it will take until January 1, 2015, to make this transition."

Employers also are also considering workarounds. Mark Lettelleir, chief executive of M.B.A. Inc., a human-resources firm in St. Petersburg, Fla., is helping several different area restaurants manage their staff so they can share employees. The test program, which is expected to begin in the fourth quarter, will involve about 500 employees of both chain and local restaurants looking to retain their full-time employees without counting them as such.

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