

## ACA:

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The 2015 Employer Health Benefits Survey, conducted by the **Kaiser Family Foundation** and the **Health Research & Educational Trust**, reported that 89 percent of 50-99 employee firms nationwide offered benefits to at least some employees in 2015.

If employers find affordable plans and keep the costs to the employee below 9.5 percent of the employee's income, the employers don't have to pay out of pocket and can avoid the penalty. If the employers can't find affordable plans for all employees, they may need to subsidize the cost of the plan and that would be out of pocket, which could be comparable to the penalty. For the most part, it's less expensive to offer insurance to the employees than to pay the penalties, Coleman said.

### Expected Increase

Herritt said most employers will see a 15 percent to 25 percent increase in the cost of insurance premiums.

The effect for most companies will depend on cash flow; for others with

## Weight:

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"is a bad idea," especially from the employee perspective.

"To me, getting involved in employees' personal health situations, particularly in this way, feels to me both punitive (Hey, you're fat!) and intrusive," she wrote in an email.

"And what if there is a perfectly good health reason for that person's weight? That is none of the employer's business."

Indeed, an **American Journal for Managed Care** study found that no corporate weight control program has ever reported savings or even sustained weight loss using valid metrics across a sizable population for two years or more.

Despite such criticism and counter-claims, Fleming said Healthywage has had a small but significant impact on the obesity crisis facing the U.S.

Moreover, he said Healthywage is now developing challenge programs to ensure that people keep the weight off, a big challenge for all programs in the industry.

The site is promoting a 60-day contest for employee teams to promote the goal of maintaining weight loss through the holiday season.

"Some critics say that the wagers only produce a quick weight loss but not a lasting weight loss," Fleming said. "But we're working really hard to make sure what we're doing isn't short term."

He said some of the upcoming weight-off challenges will run 18 months to encourage participants to keep their weight under control.

"We're all about helping people make sustainable changes," said Fleming.

Menkes said he's gained a dozen pounds since his impressive weight loss earlier this year, so he's redoubling efforts to keep his eating patterns under control.

He credits Healthywage for putting him on a good course for losing weight and how to keep it off. He said he knows what to do.

"I looked at it as an opportunity to accelerate my weight loss and used it to motivate myself," he said. "It's worked for me, and I think it can work for others."

thin profit margins, a 20 percent addition to their budget could break them, she said. Providing benefits is a hard cost for employers, who need to recruit and retain top talent and remain viable in a competitive market.

According to the **San Diego Employers Association**, a human resources management company for local businesses, some companies are tired of government regulation over employee offerings, especially benefits and payroll. A good number of employers have decided to take the penalty over offering benefits.

"If the employer is going to be required to provide this benefit, somebody's going to have to pay for it," said **Jennifer Jacobus**, the SDEA's director of HR services. "That's probably going to end up being the client or the customer with price increases to their services and benefits.

"And then on the other side, I think employees are going to take a hit for it,

too, by their hours being cut or people losing their jobs or layoffs because companies unfortunately, especially the smaller ones again, have to find that extra money from somewhere."

### Cutting Hours

Some employers have moved employees to part time so they don't have to offer benefits or they've taken a more hands-on approach managing their variable employees so they don't work over 30 hours week to week, said **Linda Keller**, the west region employee benefits practice leader for HUB International.

CEOs and CFOs have become more involved with their brokers in developing a strategic process on benefits because it can directly affect their business model, Keller said.

### Change and More Change

"You have to have more solutions for

your clients and you have to get much more involved in all the pieces that surround the benefits...And know a heck of a lot," she said by phone. "I've been doing this for 35 years. There's been more change in the last couple years than in the past 30 years of mine."

In October's **San Diego Regional Chamber of Commerce's** Business Forecast, sponsored by **Silvergate Bank**, over half of county businesses (52 percent) felt unsure about how the Affordable Care Act would affect their business, the same percentage as when the ACA was first rolled out two years ago.

Jacobus said expensive benefits, local and state minimum wage hikes and mandatory sick leave are going to be a hit for small businesses, especially since things were just picking up again with the economy and hiring.

"[I hope] that this is not going to be a step backward," she said.

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