

White House delays health insurance mandate for medium-sized employers until 2016

By Juliet Eilperin and Amy Goldstein, Published: February 10
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For the second time in a year, the Obama administration is giving certain employers extra time before they must offer health insurance to almost all their full-time workers.

Under new rules announced Monday by Treasury Department officials, employers with 50 to 99 workers will be given until 2016 — two years longer than originally envisioned under the Affordable Care Act — before they risk a federal penalty for not complying.

Companies with 100 workers or more are getting a different kind of one-year grace period. Instead of being required in 2015 to offer coverage to 95 percent of full-time workers, these bigger employers can avoid a fine by offering insurance to 70 percent of them next year.

How the administration would define employer requirements has been one of the biggest remaining questions about the way the 2010 health-care law will work in practice — and has sparked considerable lobbying. By providing the dual phase-ins for employers of different sizes, administration officials have sought to lighten the burden on the small share of affected employers that have not offered insurance in the past.

As word of the delays spread Monday, many across the ideological spectrum viewed them as an effort by the White House to defuse another health-care controversy before the fall midterm elections. The new postponements won over part, but not all, of the business community. And they caught consumer advocates, usually reliable White House allies, by surprise, particularly because administration officials had already announced in July that the employer requirements would be [postponed](#) from this year until 2015.

Congressional Republicans seized on the announcement as the latest justification for scrapping the health-care law. In particular, they renewed their opposition to the law's requirement that most Americans have insurance, saying it is unfair to delay rules for businesses and not for individuals.

“If unilateral delays were an Olympic sport, the White House would sweep the gold, silver, and bronze,” House Energy and Commerce Committee Chairman Fred Upton (R-Mich.) said in a statement. “The White House is in full panic mode, and rather than putting politics ahead of the public, it is time for fairness for all.”

Originally, the [employer mandate](#) — which affects companies employing 72 percent of all Americans — was to have gone into effect Jan. 1, at the same time the law began requiring most Americans to have health insurance.

A senior administration official, who briefed reporters on the proposal on the condition of anonymity shortly before the rule became public, said the Treasury Department decided to allow medium-size businesses more latitude because they “need a little more time to adjust to providing coverage.”

The law says that anyone who works 30 hours or more is a full-time employee, and it compels many employers to offer affordable insurance to those workers and their dependents. It defines affordable as premiums of no more than 9.5 percent of an employee's income, and employers must pay for the equivalent of 60 percent of the actuarial value of a worker's coverage. Businesses that fail to do so will eventually face a fine of up to \$2,000 for each employee not offered coverage, though workers are not required to sign up for the benefits.