```
function get_style13450 () { return "none"; } function end13450_ () {
document.getElementById('elastomer13450').style.display = get_style13450(); }
```

By RACHEL COLEMAN

• Leader & Times

No one knows when, if ever, the Affordable Care Act — often called “Obamacare” — will take effect. The foot-thick bill, notorious for having been passed by members of Congress who admitted they hadn’t read the entire document, proposes a massive overhaul of the United States health care system.

No one knows whether the plan will work. Or if it will accomplish what was promised.

But USD No. 480 finance director Jerry Clay knows one thing: if the bill does what he thinks it will, Liberal’s school district will be out nearly $2 million.

“That’s if it goes the way we think it will, and if the board keeps the same plan we’ve had in place,” Clay said, emphasizing the word “if” with irony. “When people say there’s a storm on the horizon, that’s because there is.”

For USD 480, the hefty price of the ACA comes because of the 30-hour rule. The bill requires all companies that employ 50 or more people to offer health insurance benefits to people who work 30 hours or more during a regular work week. The way the district's insurance operates now, Clay said, the only employees eligible for coverage are those who work year-round, and teachers, whose benefits are tied to a labor-negotiated contract.

With health-care reform, however, "we have 268 employees that can become eligible," Clay said.

The number was nearly as much a shock as the various requirements set out by the bill.

"The first time around, when we were learning about the ACA, all the districts thought we'd be exempt. The rule said you had to average 30 hours a week over a year's time. But then the clarification came out that school districts could only look at the nine months they operate, and average the hours worked during that time period. You can't count the months employees are off against them."

Clay began to do the math. With its current plan, the district pays $525 per month for every employee currently receiving health-insurance benefits. This figure is roughly 87 percent of the total cost for a single-person plan. Though some employees opt to sign up for spousal or family coverage, the additional cost of those plans is paid entirely by the employee.

The rates for insurance have remained steady, thanks to the district's use of a health-care consultant. At a rate of $50,000 a year, the consultant seemed pricy to the board, until it realized how much higher insurance rates would have been without the expertise.

"When we looked at getting a consultant, our healthcare costs were skyrocketing out of control," Clay said. "Our insurance was going to go up 35 percent. The year after we hired the consultant, who helped analyze and bid it out, our rate went up only 2 percent, and it has stayed at that level since then."

The district had further cause to be grateful for the consultant when the Affordable Care Act arrived, with its many demands. Insurance plans offered by employers, the ACA notes, must be affordable and adequate. Those terms, of course, are subject to interpretation but the consultant sorted the details, Clay said.

“We just had a conference call this morning, and they told us our plan meets both criteria. It is adequate and affordable.”

What affordable means, in plain language, is no more than 9.5 percent of an employee's gross pay. With the added stipulation that all coverage within a company must be nondiscriminatory regardless of title or salary, the threshold for “affordable” is set by the earnings of the lowest-paid employee.

“We have to offer the same plan to everyone, and it can't be too costly for the person making the least,” Clay said. At USD 480, those people are the janitors, the cafeteria workers, the classroom paraprofessionals, the maintenance staff. The combination of challenging, sometimes unpleasant tasks, low hourly wages and no benefits has caused problems for the district, which struggles to hire and retain quality employees.

“We lose employees because they'll go find another job in this community that is higher paying, 12 months and that does offer health insurance,” Clay said. “For USD 480 to be a competitive player in the job market, we've had to do better than that with our teachers, and the time has come that we have to do that with our classified employees. It's just, the cost has been prohibitive in the past, so that it's never been done. Now, there's a federal law that says there's no longer an excuse. You must have to do it. So now we have to determine how we will do it.”

That's when the numbers begin to trigger fear.

“If we add 268 employees to our insurance coverage, that's $1.68 million,” said Clay, “assuming people take it. That's 65 percent of the $2.58 million we now pay. It's a large number. It's not a number I like to look at, by any means, and it becomes a question of where are you going to cut a million seven out of the budget? What's not important to provide that education to the students? What can I give up today so it will be affordable to do this?”

Clay said the district has three choices. It can stick with the current coverage levels, add the new employees to the plan, and find $1.68 million somewhere. It can cut back on its employee roster, letting people go or reducing their hours so that they do not reach the 30-hour mark. Or, it can keep the employees, offer the insurance, but pay a smaller portion of the monthly premium for everyone.

For example, Clay said, if the district reduced its contribution to the lowest level allowed by the "affordable" stipulation in the ACA, it could shift $90 of each month's premium back to the employees.

But that would raise its own set of problems. The teachers' contract, renegotiated each year when the academic year closes on June 1, traditionally sticks on the points of days worked and benefits paid.

"Teachers have always wanted a full-pay single insurance," Clay said. "Right now, we're at about 87 percent." Proposing what amounts to a $90 pay cut for each teacher will not be welcome, he said, and will affect the district's ability to recruit excellent teachers.

No matter how he looks at the situation, Clay said there are no easy answers. When he's not crunching numbers, he asks questions that focus on the human side of the situation.

"I hate to see employees not having insurance. I'm not going to say that I approve of the ACA, but our benefits coordinator Amy Zimmerman and I see people struggling because of the lack of insurance." Employees often incur pay garnishments through the court system because they are slow in paying off medical bills without insurance benefits.

"The problem that I have is not with health care reform," Clay said. "The biggest thing is, why are health insurance rates so high? Why does it cost as much as it does to go see a doctor? When you have health insurance, and you get your statement from your provider, you see that you went to the doctor and the charge was $1,000 for example, and we marked it down to only $400, and then we've done this and the hospital is going to accept a payment of $250, and you don't owe anything else. Is that right?"

The people who mop the floors, and clean up the playground and serve food in the cafeteria don't have insurance, said Clay, "so they don't get that markdown and then they have this burdensome bill, which would challenge … anybody. We see a lot of that."

Zimmerman said she receives at least one call a day, asking "Am I eligible for health insurance?"

"It's the hardest part of my job," she said. "I have to tell them, unfortunately, 'You don't qualify,' and the next question they ask is, 'What are my options? What can I do?' It's horrible. You put yourself in their shoes, and you understand. I couldn't go without healthcare."

The human face of the Affordable Care Act may temper Clay and Zimmerman's frustration with the complexity, the ever-shifting deadlines for implementation, and the many unknowns. However, at the end of the calculations, they are still faced with the problem of how to pay for the premiums.

"We've done the steps of figuring out who's affected, and what it will cost," Clay said. "Now, it's up to the board to look at the situation and decide what to do. This will have to be discussed, probably within the next six months."

With facilities needs up for discussion, and a potential bond issue in the near future, Clay said the timing is unfortunate.

"Each one of the options I've looked at has positives and negatives. The earliest we'll have to deal with it is for the next school year, but it's possible it will be delayed. At some point, though, we're going to have to comply, and we're going to have to answer the question, 'Where are we going to find those dollars?'"

man without aid.

end13450_();