

**CENTER FOR LAW AND SOCIAL POLICY**  
**JANUARY 24, 2013**  
**3:00 p.m. EST**

KERRA (ph): Jodie, the floor is yours.

JODIE LEVIN-EPSTEIN: Thank you, Kerra (ph), and welcome to the audio conference, Health Reform: Implications for Part-Time Work. You are one of over 680 people who registered to learn more about this issue.

I am Jodie Levin-Epstein at CLASP. CLASP, the Center for Law and Social Policy, finds and fosters policies that work for low-income families. We are pleased to co-sponsor this event with our colleague organizations, the U.C. Berkeley Center for Labor Research Education and Families USA. We are also delighted to collaborate with the National Academy for State Health Policy and its state reform; more on that later.

The Affordable Care Act, AKA (ph) the ACA, is historic and will greatly expand the affordability and availability of health care insurance. The audio conference is focused on one relatively narrow issue; how the ACA intersects with part-time work and that includes some provisions that should benefit part-time workers.

We'll zero in on a provision about large employers; those with 50 or more full-time equivalent workers and the penalties in play if they don't provide affordable health coverage to full-time workers. There are no penalties for failing to provide health insurance coverage to part-time workers, defines as those working an average of less than 30 hours per week.

This summer raised the concern that employers, to avoid the cost of health care coverage or the penalties for failing to provide it will limit their use of full-time workers. There are multiple routes to more part-time workers for employers; full-time workers could have their hours reduced to part-time, new hires could predominantly be given only part-time hours and/or part-time workers could stay forever part-time. So while this is a relatively narrow issue within the big, huge health reform that's just taken place, it looms large for workers at risk of not getting enough hours of work.

The question about how employers will respond to the Affordable Care Act is not easy to answer. Different sectors and types of businesses will respond to the cost of health care coverage differently. Health coverage is only one piece of the business model puzzle. And, because in many sectors, even before health reform, there has been a trend towards increased part-time jobs, it may be hard to tease out the effect of the law on this issue.

In this call, we'll learn about what is answered and what remains unanswered, related to the part-time/full-time issue. What are some lessons from other health coverage efforts? What are some likely employer responses? And what are some possible remedies for anticipated problems? There's lots we won't cover, including other topics vital to low-wage workers. For example, we're not going to have a chance to explore the impact on workers of moving back and forth, between Medicaid and exchanges.

A word about you, the audience; while you may have some health care mavens out there and tuned into this audio conference, most of today's audience are workers' advocates and anti-poverty stakeholders. Our guests will help bridge health care and labor policy. Don't worry about taking frantic notes as you're learning new information and hearing some numbers. There are lots of resources that you've been sent and there will be a transcript of this audio call available afterwards.

My first two guests are Cheryl Fish-Parcham, who's deputy director of health policy at Families USA. Welcome, Cheryl.

CHERYL FISH-PARCHAM, DEPUTY DIRECTOR OF HEALTH POLICY, FAMILIES USA: Thank you very much.

LEVIN-EPSTEIN: What's your quick nanosecond or elevator statement about what is Families USA?

FISH-PARCHAM: We're a nonprofit organization that works for health care consumers and tries to assure them affordable coverage.

LEVIN-EPSTEIN: Excellent. Also joining us is Ken Jacobs, who's chair of the U.C. Berkeley Center for Labor Research and Education, Institute for Research on Labor and Employment. Ken, I'm not sure I've got that all right, but can you give us your elevator statement?

KEN JACOBS, CHAIR, U.C. BERKELEY CENTER FOR LABOR RESEARCH AND EDUCATION, INSTITUTE FOR RESEARCH ON LABOR AND EMPLOYMENT: Sure. The U.C. Berkeley Center for Labor Research and Education is an outreach program of U.C. Berkeley, of the Institute for Research on Labor and Employment that works on, as you might – labor and employment issues. And we have had significant focus on health care in more recent years, because of the impact that has related to labor.

LEVIN-EPSTEIN: Excellent. One housekeeping detail for everyone; you should know that we encourage you to send in your questions as they occur to you. It's easy and a whole lot of people have already sent in their questions, so keep yours coming.

To send in your questions, just e-mail me at [audioconference@clasp](mailto:audioconference@clasp). That's [audioconference@clasp](mailto:audioconference@clasp); C L A S P dot-org. And we appreciate your throwing those out at us. We're going to try and get as many answered as possible.

But I get to start with you, Cheryl, first. And before we get into this specific issue of the large employer provision, can you kind of give us a context, broadly, what are the health insurance challenges that part-time workers face today and how that might change under the ACA?

FISH-PARCHAM: Sure. Part-time workers are very, very likely to be uninsured. About 27 percent of part-time workers are uninsured, while only about 16 percent are covered at their job. Others might be covered at other people's jobs or through public programs.

Over the past several years, the percentage of part-time workers that had coverage on their jobs has actually declined and the use of part-time workers has increased. And so that was a change that happened independently of the Affordable Care Act; the part-time workers have increasingly lost coverage.

Some firms that provide any coverage to part-time workers have really offered only substandard policies and when workers have become sick, they found that they really couldn't pay their remaining costs. In most states, working adults today don't get Medicaid if they don't have dependent children and the price of individual coverage is out of reach, so it's not a pretty picture.

In 2014, as the Affordable Care Act fully becomes implemented, states that take up – in states that take up the Medicaid expansion, part-time workers with household income up to 133 percent of poverty will qualify for Medicaid. And in all states, part-time workers with income between 100 and 400 percent of poverty, who don't qualify for Medicaid and don't have an affordable offer of coverage from their employer or another government program will be able to get coverage with premium assistance, when they shop through the exchange.

They'll have premiums set on a sliding-fee scale and, for example, a single individual at minimum wage, earning – or a single individual with about 150 percent of poverty as their household income, \$16,800 a year would pay about 3 percent of income for premiums and the plan would cover about 87 percent of the person's health care costs. And individual at 200 percent of poverty would pay about 6.5 percent of income for premiums.

LEVIN-EPSTEIN: So getting to something I've read a lot and it would probably strike a lot of folks the way it did me; it's the expression that large employers are not required to, but are expected to provide coverage for their full-time workers. What exactly does that mean?

FISH-PARCHAM: Well the law sets forth an employer responsibility requirement for employers that have more than 50 full-time equivalent workers. If the large employer doesn't provide health insurance to it's workers that meets a minimum standard and is affordable, the employer could face tax penalties, so it's not a criminal penalty; it's a tax penalty for not providing health insurance.

LEVIN-EPSTEIN: OK. So let's drill down into this penalty. What is the penalty, exactly, and what triggers it?

FISH-PARCHAM: Well, there are two types of penalties and both are triggered when a full-time employee who doesn't have affordable insurance from the employer goes to the exchange and gets the premium assistance that I talked about earlier, to help them pay for health insurance.

The first type of penalty is for an employer who either doesn't provide insurance to it's employees and their dependents at all, or who doesn't provide coverage that meets a minimum value. That is it's a sort of junky policy; the policy pays less than 60 percent of the cost of benefits.

LEVIN-EPSTEIN: Is that a wonk (ph) word; junky policy?

FISH-PARCHAM: Absolutely. So in that case, the penalty is triggered when any one employee goes to the exchange and gets premium credits. And the employer's penalty is \$2,000 a year for all full-time employees, minus the first 30. So you have an employer that has 50 employees, you take away 20, you – the – (INAUDIBLE). You take away 30, so 20 is (ph) left; multiply that by 2,000 and that's the penalty for the year. So that's the first type of penalty.

The second type of penalty is for an employer who does offer insurance, but it would cost their employee more than 9.5 percent of their wages to buy coverage just for themselves. And in that case, it's unaffordable. The offer is considered unaffordable and if a full-time employee goes and gets premium assistance instead, the employer would pay \$3,000 for each such employee.

LEVIN-EPSTEIN: Now, Cheryl, you said when any one employee goes and gets this premium assistance; I read somewhere in the resources that all of the audience has hold of that there's something about a 95 percent threshold? How does that play into what you're saying?

FISH-PARCHAM: Well, that goes – the first type of penalty that went into; that (ph) you have to provide coverage to all of your workers. It's actually – it is actually substantially all of your workers. If you don't cover five workers or you don't cover 5 percent of your workforce, that penalty wouldn't apply.

LEVIN-EPSTEIN: I see; OK. So we've been talking about large employers. How are they defined in terms of the hours of part-time employees? Do they count in the determination of the size of a large employer?

FISH-PARCHAM: Well, to decide whether you're a large employer at all and might ever be subject to a penalty, you count full-time equivalent employees, so part-time employees are part of that equation. You have to have 50 full-time equivalent employees to be possibly subject to penalties. And when you count those part-time workers you know two workers that, together, work 120 hours, are counted as one full-time equivalent in a month, but seasonal workers are not counted.

But when you go to actually computing the penalties for not offering coverage or for not offering decent or affordable coverage, those per worker penalties; those only apply to full-time workers, not to full-time equivalents.

LEVIN-EPSTEIN: So once you're defined as a part-time worker, the penalties that accrue to an employer are not related to any of their part-time employees. It's just ...

FISH-PARCHAM: That's right (ph).

LEVIN-EPSTEIN: ... whether they've gone over the 50 employer (ph) threshold. Once you're over the threshold, you sort of disappear, if you're a part-time employee, from their calculations about employer coverage.

FISH-PARCHAM: That's correct.

LEVIN-EPSTEIN: So we said that full-time is defined as 30 hours or more and there's no penalty for failure to provide health insurance to those part-time workers; those under 30 hours. Now here's a funky question. If an employer (ph) has been providing coverage for part-time workers and in the beginning you sort of laid out some of those numbers and how it's gone down over the last years, but still, some part-time workers have been getting coverage from their employers.

So let's say I'm an employer. I'm looking at all of this happening and I'm going, I'm not going to keep covering my part-time workers. Is there a penalty for taking away what's been given to part-time workers?

FISH-PARCHAM: No, there's not.

LEVIN-EPSTEIN: OK. Well, moving right along, Cheryl, lots of workers have variable hours you know. It's not a 9-to-5 world anymore. So how actually does this counting happen? How do they count 30 hours a week or I you know 130 hours a month? What are some of the considerations that go into this? I'm quite sure it's more complex, because of all these variable hour scenarios.

FISH-PARCHAM: Sure. So if the employer can decide in advance that an employee's expected to work at least 30 hours a week, then that has person has to be counted as a full-time employee. But if they can't decide; if it's a variable-hour employee, the proposed rules give employers the option of using a look-back period to decide whether the person is working an average of 30 hours.

So that's a period of anywhere between 3 and 12 months that's chosen by the employer, when they're actually keeping records and looking to see, did that person work an average of 30 hours? And after that look-back period ends, the employer has to assume that someone who's worked at least 30 hours average during that period will continue to be full-time for at least six months, or at least as long as the look-back period, if it's longer than six months.

LEVIN-EPSTEIN: Cheryl, you did mention before something about seasonal workers and we have a question here, again, from one of our listeners, Stephanie Becker (ph), asking about seasonal workers. Could you repeat and explain how seasonal workers figure or don't figure into this?

FISH-PARCHAM: Yes. When you count whether your employer has more than – more than 50 workers, you exclude seasonal workers from that equation. And seasonal worker is one who you know who works seasonally, either holiday season or agriculture or another kind of season, and who, if you count 120 days – that they're employed for 120 days or less. So if the – if the amount of employer – if when you – if you look at an employer and only for 120 days does that employer have more than 50 workers and the employer says, oh, but those others were seasonal, then that's not counted as a large employer.

LEVIN-EPSTEIN: So this is all about the determination of whether or not the employer is large or small. Once a seasonal worker is in a large employer's company and let's say it's a full-time seasonal worker during that season, are they considered full-time for purposes of getting covered?

FISH-PARCHAM: I think now. Ken, maybe you can help me recall this, but I think there's not a responsibility to cover seasonal workers.

JACOBS: I believe that's correct.

LEVIN-EPSTEIN: OK.

JACOBS: Yes, that is right.

LEVIN-EPSTEIN: All right. Wow, there's so much material here, it's hard to imagine how you guys can stay on top of so much. And we're just, again, narrowing in on this very – relatively small question and you're on top of all of it, so we're grateful to you for bringing your expertise to this conversation.

We have a series of questions about counting time, from Lisa Disselkamp. She's with Deloitte and also the CEO of organization called Workforce Educational Organization. And she's asking whether or not there are regs or guidance yet on a set of issues.

The one I want to lift up right now is she asks about whether or not there's guidance with regard to something that's called a variety of different things. Sometimes it's called on-call and sometimes it's called call-time, which is when an employee needs to be – is told to be available to the employer, but actually may not get called and may not be working.

Then there's this scenario as well, when you're on-call, and you actually might show up, but then get told to go back home because there's not really work to do. And sometimes that's called reporting pay and you get a little bit of money, because it's guaranteed, but it's not the full on-call period; very technical stuff, but really important in a range of industries. Has there been any guidance on this question?

FISHER-PARCHAM: There hasn't been guidance specifically on that. The proposed rules define an hour of service as an hour for which the employee is paid or is entitled to payment and they specifically that it includes vacation, holiday, sick, disability and jury duty days. But the proposed rules are out for public comment and to the extent that that definition leaves you with any ambiguity about how call-time or any other category of time is counted, you should definitely comment.

LEVIN-EPSTEIN: So what I will promise everybody who's a registrant is that, following this phone call, we'll connect and get you a link to that information about how you can comment on this set of issues.

OK, so another kind of question that's actually been in the news in relating to counting is the story of adjunct professors and we have a couple of questions here from folks, as well, who are at universities. And apparently there's been some new guidance, I believe, that recently came out, instructing universities that it is reasonable to calculate, in addition to classroom hours, other hours that a adjunct professor would be expected to spend outside of the classroom in preparing for and following up on classroom hours.

And so my question to you, and this may be also in terms of, Cheryl, what you were just saying about people's ability to comment, is that this is – the federal government is suggesting some sort of reasonableness test. And if one could construct a reasonableness test along an array of issues, like on-call or call-time, would being able to link to this information about reasonableness and adjunct professors be a helpful argument to raise in that context?

FISH-PARCHAM: Sure. The issue of adjunct professors is something the Department of Treasury raised in the preamble to these proposed rules. They said you know we don't really know what to do about adjunct professors. For now we will accept reasonable interpretations of what their hours should be and we'd like your comments about how the final rule should read.

I would say that they really want guidance about all kinds of blurry areas and so if you think of others and have suggestions for them, those would be good things to put in your comments.

LEVIN-EPSTEIN: Cheryl, I want to go back to something you were talking about earlier and it's about employees who are part-time who don't get coverage through their employer. Could you just bullet for us, again, how they might get covered and to what degree you're worried about them being left out?

FISH-PARCHAM: Sure. It's really important for states to expand Medicaid, because if they don't, an employee really could be left out. They – people under 100 percent of poverty can be covered under Medicaid if states expand. If they – if states don't expand, there really may not be a coverage option for people in that category.

Employees with household income between 100 and 400 percent of poverty can get coverage on the exchange and can receive premium credits.

LEVIN-EPSTEIN: So, again, back to something you were mentioning earlier, that there are these proposed comments and they came out January 2nd. Is that right?

FISH-PARCHAM: That's right.

LEVIN-EPSTEIN: And the – there's public comment through March 18th, so folks do have time. And there's going to be some hearing April 23rd as well. It – this thing runs 96 pages. I got to confess, Cheryl, I did not read it. I just read what you told me to read. And so what I'd love, if you could pull anything else that you think is top-level, folks should look at, as those who are going to comment should really sort of zero in on.

FISH-PARCHAM: Sure. For us at Families USA, the top issue did (ph) span several sets of rules is how families will be able to afford coverage. This proposal requires an employer to offer coverage to the full-time employee, plus the children, but not to the spouse. And a spouse without an offer could conceivably get help on an exchange.

But in determining whether coverage is affordable to an employee, the rules only look at the cost of the employee's share of coverage; not what the employee would pay or have to contribute for their kids to get coverage and we want to be sure, when all the rules are out, about premium credits, about employer responsibility, and about what constitutes non-discrimination, that that set of – that complete set of rules solves this problem for families and makes sure that families will be able to get help from some combination of premium credits, CHIP and employer-based coverage that will keep their coverage affordable.

And as I mentioned, there are also just details in these rules about how they should apply to various professions, where IIS (ph) very much wants comments.

LEVIN-EPSTEIN: OK, well great. I want to remind everybody, and you're all doing very well so far, but for those of you who didn't jot this down, it's easy to e-mail in questions. Just send them to [audioconference@clasp.org](mailto:audioconference@clasp.org). That's C L A S P dot-org; [audioconference@clasp.org](mailto:audioconference@clasp.org).

So, Cheryl, thanks very much. We sort of got a grasp of what's in the rules and a little bit about where the rules are out for comment. And we also have a – at least a basic understanding that there are reasons why some employers might want to employ someone for 29 hours a week rather than 30, making them part-time rather than full-time.

So, Ken, you're on to help us with some best guesstimates about how many workers might actually fall into this category; be at risk. And also, Ken, if we will, we'd like to pick your brain a bit about what you all have learned from the experience of actual health insurance mandates (ph) elsewhere in the country, like in Hawaii, San Francisco, and Massachusetts.

So the first question to you, Ken, is are – in your view, are all full-time workers vulnerable to having their hours cut?

JACOBS: The answer to that would be no and there's – for two reasons. One is most full-time workers have coverage through their job and most large firms that would be covered by this penalty; that 50 or more full-time employees, offer coverage. So in those cases, the penalty doesn't apply.

Then if – and to put that in context, about 78 percent, 77 percent of employees of large firms, full-time employees, have coverage through their own employer. Another 10 percent have coverage through a family member. So again, most people are covered.

Second, for those firms who aren't offering coverage or who have workers – full-time workers who they don't offer coverage to, if they choose to move workers from full-time to part-time, that entails costs. That entails higher turnover, higher cost for replacing workers, administration, supervision, unemployment insurance, so all that has to go into their calculus. And again, in most industries and for most workers, it's not a value proposition to cut hours.

The workers who are most vulnerable are those who work slightly more than the 30 hours a week, don't currently get coverage on the job, and have income such that they might be eligible for exchange subsidies that would trigger the penalty.

LEVIN-EPSTEIN: So, Ken, you just did an updated analysis, projecting how the Affordable Care Act in fact might play out in terms of the total number of workers who are vulnerable to having their hours cut as you've just described, and everyone should appreciate that this document is part of your resource list. But, Ken, could you just give us the top takeaway?

JACOBS: Sure. We estimate that there are about 2.3 million workers who fall into that group that I would say are the most vulnerable to having work hours reduction. They work 30 to 36 hours a week. They're under 400 percent of the federal poverty level and they don't have coverage through their own employer.

And so that's the group we'd – we – that would be the most vulnerable to having hours cut to keep them below that 130 hours a month. And they are heavily concentrated in a few industries; the industries where you see lots of workers fitting that – in that category are restaurants. We're at 16 percent of restaurant workers, retail, accommodation, building services, nursing homes. But restaurants and retail are about half of the total.

LEVIN-EPSTEIN: So when you say 16 percent of retail workers; 16 percent of all retail workers or did you say restaurant workers?

JACOBS: Sixteen percent of restaurant workers.

LEVIN-EPSTEIN: Are at risk ...

JACOBS: Of having some work-hour reduction; yes, that are between – work regularly between 30 and 36 hours, don't have coverage on the job, where it would be an easy matter for the employer to just keep them under that 130 hours a month.

LEVIN-EPSTEIN: OK. And you're saying that between retail and restaurant, it's about half of all of that risk of the 2.3 million?

JACOBS: Correct.

LEVIN-EPSTEIN: That's a big number.

JACOBS: It's a – as a – as a percentage, looking at the total U.S. workforce, it's about 1.75 percent of the total U.S. workforce. In terms of ...

LEVIN-EPSTEIN: Right.

JACOBS: ... numbers of people, it's a large number of people.

LEVIN-EPSTEIN: Yes, indeed, indeed, indeed. So, Ken, I want to go back to something and ask you to help refresh us and fill us in a little bit more. You know these workers get coverage, or they don't if they're full or part-time, and there's some relationship to spouse and some relationship to kids. Could you just drill down into that a little bit more so we have the complete picture about what happens as workers and their families, because they usually come attached?

JACOBS: Sure. So the way the firewall works ...

LEVIN-EPSTEIN: Firewall.

JACOBS: Let's (ph) explain this in terms of what workers – so there are affordability protections in the law. And a worker can turn down job-based coverage and go get coverage in the exchange and receive subsidies if that coverage costs more than 9-1/2 percent of their income, if (ph) accessing that coverage; what the individual pays towards the premium. Now – and if they do so, then the employer will pay the penalty.

The way that the regulations have been written, if an – if individual coverage is affordable, but family coverage is not affordable, not only can that individual worker not obtain coverage in – through the exchange that's subsidized, but neither can their family members. And so that is one of the issues that's out there right now; still a pending issue with the regs, but that's how it was written in the draft regulations.

And that does mean that some firms that are mostly low-wage workers could decide that it's better not to offer spousal coverage, because if they offer it, that would keep spouses from being able to get subsidized coverage in the exchanges. I think that's a – don't expect that to happen in a – in a large set of cases, but it is a concern with the current draft regulations.

LEVIN-EPSTEIN: And is that set of regs still open for comment also?

JACOBS: The – there isn't a comment period on it, but the decision hasn't been made, so it is one that people can weigh in on.

LEVIN-EPSTEIN: OK, well we will also promise to provide registrants with links to that set of issues, so that this issue can be addressed too.

You know one of the things about working with you, Ken, is you've also done some look-sees yourself and quite familiar with what's happened in the few instances around the country where there is some experience with health programs of this nature. Of course, they're all very different from each other.

Research on Hawaii's state health care program examined whether it incentivized employers towards part-time employees. Could you fill us in on what you all found and how applicable you think that is to the Affordable Care Act?

JACOBS: Sure. Hawaii's an important case example. In this case, employers in Hawaii have to provide coverage for anyone who works 20 hours or more and the employer has to pay 50 percent of the premium, so that's a steeper cliff, because 50 percent of a health premium is more than \$2,000 a year, but it applies at a lower threshold; 20 hours, so it's harder to reduce hours to that – to that level.

One recent study, the most comprehensive study done on this found that the law resulted in an increase of part-time work; that is workers under 20 hours a week, of 1.4 percent points. So again, it's a fairly modest number and similar to what we're sort of looking at in terms of what we'd expect nationally, as a result of the ACA.

LEVIN-EPSTEIN: And a lot of people are more familiar you know Hawaii may come as news, but aware that Massachusetts has a major health program. Is there something informative out of that experience to date?



JACOBS: Well, Massachusetts has a smaller penalty for employers. It's \$295 a year if the employer does not make a fair and reasonable contribution towards health care. And remember, Massachusetts started with a much higher than average level of employment-based coverage, but a recent Urban Institute study looking at Massachusetts found no measurable impact on full versus part-time work.

LEVIN-EPSTEIN: OK, OK. And what about San Francisco, which has universal health care as well? And I know their employer responsibilities are structured differently, so could you fill us in on how that difference is and what you see as some of the learnings there if it's not (INAUDIBLE)?

JACOBS: Sure. The rule in San Francisco was designed very specifically to address this issue and make sure that there wasn't a cliff for employers. So the San Francisco – under the San Francisco law, employers need to meet a minimum hourly spending requirement on healthcare. They can spend it directly on providing health care to their employees or they can give it to the city for the city's health care program.

It's currently a little over \$2 – \$2 an hour for a – 2.20 an hour for large employers. And it starts for any worker at 8 hours or more. So there really is no cliff, because it's just – it's scaled per hour, the work that somebody works, so you really don't have any of those kinds of impacts.

LEVIN-EPSTEIN: And by cliff, you mean the 29 versus 30-hour, part-time versus full-time cliff.

JACOBS: Correct.

LEVIN-EPSTEIN: And so why didn't this happen in Washington that there was an avoidance of the cliff?

JACOBS: Well, part of this has to do with how the Affordable Care Act was ultimately passed. Remember, there was a House bill and a Senate bill. This – and ultimately, because of the – change in the election and the Senate election in Massachusetts, it was the Senate bill that was passed. The House bill was structured quite differently.

It was done as a percentage of payroll and the percent of payroll was on a sliding-scale, based on the size of the firm, similar to what had been proposed earlier in California. And there – in terms of the number of hours a worker would work to need to be in the formula was not included in the bill. I believe it was to be determined through regulations, but again, by using a percentage of payroll as a way to avoid having a cliff of this nature.

LEVIN-EPSTEIN: I see; I see. So Congress specifically had an opportunity to go with a non-cliff approach and went with a cliff approach.

JACOBS: Well, be – the Senate had the – a cliff approach.

LEVIN-EPSTEIN: Right.

JACOBS: The House had a non-cliff approach and, as history happened, we ended up (ph) with the Senate bill.

LEVIN-EPSTEIN: OK, all right, all right, all right. So let me throw at you each some questions we have here. We have a question from Carlo Tarantola, with the California School Employees Association, asking, and I will throw this to you, Cheryl; do employer mandates apply equally to public employee – public employers?

FISH-PARCHAM: There's a – there's a question still left open in the rules about what will happen to government entities, so we don't quite know yet. I will say that there are some – the – that school employees; there's been no – that they – that they don't work 12 months a year and as you count up full-time employees, you would disregard these summer breaks to make sure that school employees do get offers of coverage if they're working more than 30 hours during the school year.

LEVIN-EPSTEIN: And let me throw this to you, Ken, from Cesar Serrano (ph), with the SIU Research Department. He asks, what about workers that have multiple part-time jobs that together add up to a full-time job? Does the Affordable Care Act provide a path for them to get coverage? This is an employee perspective, not the employer perspective.

JACOBS: So from the employee perspective, the path to get coverage, if they are not offered coverage through one of their jobs, is through – or affordable coverage through one of their jobs is either through Medi-Cal or for the subsidies that'll be available through the health benefit exchanges.

The – on the employer side, the penalty is based on – for each – for each employer, based on the number of hours that the person works for that employer, so there is – it's not aggregated together in terms of multiple jobs.

LEVIN-EPSTEIN: Yes, yes. And, Cheryl, we have a question here from Jill Hanken, with the Virginia Poverty Law Center, reporting that the Commonwealth of Virginia and certain localities are already planning to reduce hourly workers to no more than 29 hours per week. She asks if there are any special considerations, requirements for state local governments. You've just mentioned that that's not an answered question yet.

Are you hearing about this, though, in other localities for public workers?

FISH-PARCHAM: I have not been hearing this yet. It sounds like that's a – that's the kind of issue that people would want to address with their state and localities too. Certainly there are a lot of levers for the public to say that this is not an acceptable treatment of workers.

LEVIN-EPSTEIN: Let me ask – now, I think we're going to move on and we'll take more audience questions in a bit. I want to continue, Ken, with some employer perspective questions. We just got one (ph) off here on this issue of press coverage about employers and being incentivized to have part-time employees because of these provisions.

You know there was a lot of attention to Darden and Papa John's when they came out with some statement that they would cut back hours. And then, after public pressure, they now appear to at least be saying that hours will not be cut for current employees, although it remains an open question about whether or not that was clear about – clear enough about how new hires would be treated or whether new hires would more likely be part-time.

We've seen a report that you know I (ph) mentioned before about adjunct professors and a community college said it would limit adjunct professors and we just had this question here about the Commonwealth of Virginia.

What's the math for an employer when looking and trying to assess full-time versus part-time? You know you were telling us earlier that there's a range of calculations that an employer needs to make; the more hidden costs of managing many part-time employees versus having fewer full-time employees, that whole hiring process and training process. So give us a feel for your take on the math, generally.

JACOBS: Well, first, have to – the employers have to take into account, what does it take for them to recruit qualified employees into the job and retain them in the job. They have to take into account what will be the impact on turnover in their – for those specific occupations in their industry and what the costs they have for recruitment, training, supervision, how it will affect – how it will affect productivity and unemployment insurance costs and all of that adds up.

And so where you see part-time work mainly is in industries and occupations for which there's a variable demand for labor; that is to say, in a restaurant, in retail, there are times of the day where you need more people and times of the day where you need less people. And in those cases, you're not paying for hours that are – that are less productive; cutting jobs into part-time jobs can be quite – can be economical. But

for many professions and – or the vast majority, doing that would be more costly and would cost more than the kinds of penalties that employers would face here.

LEVIN-EPSTEIN: Yes, yes. So another kind of story; this one out of USDA – USDA. That's interesting; that was my old live – out of USA Today, recently reported that firms that reach the 50-employee threshold or are close to it may, in addition to looking at part-time workers or cutting the hours of full-time workers, sort of head in the direction of hiring temporary workers.

Ken, any sense on that from your perspective?

JACOBS: Cheryl, maybe you can help me out. From the recent regulations, there was some attention being paid to this question of use of temporary workers and do you know where that?

FISH-PARCHAM: Yes, there are rules to make sure that temporary workers that are actually being employed by, let's say two different temp agencies, but working for the same worker. That is seen as an abuse and somebody is still responsible for that worker, for example. So there are different details like that that try to clamp down on abuse of temporary situations.

I guess, also, this is another area where I think employers are probably – some employers are seeking media attention because they want final rules weakened and we don't know whether they (ph) are actually going to make different decisions about their workforces or if they're just lobbying at this point.

LEVIN-EPSTEIN: Aha.

JACOBS: And an important point to note is that the 50 full-time employees is all members of a controlling corporation, so if you have various – there are sets of rules on this, but make – you can't just break up your business into smaller units in order to avoid the full-time employee limit.

But employee – but temporary employees count towards the temp agency's side.

LEVIN-EPSTEIN: Right.

JACOBS: Not towards the hiring agency size. So also, depending on how many hours people are working, you could end up shifting the issue over the temp agency versus the hiring firm, in the sense that the temp agency will have more than 50 full-time employees and if those people are really working those larger amounts of hours then there's going to be costs associated there as well, which would be passed on to whoever was hiring them.

LEVIN-EPSTEIN: Ken, we have a follow-up question from Paul Sonn at the National Employment Law Project and I think he's asking you to capture what's been covered before, but with a slightly different lens. He asks, if a sub-30 hour worker – maybe that's a new term of our (ph) – I mean someone 29 hours or less is not offered affordable individual coverage and they obtain it through the exchange, are employers subject to a penalty? I think that question's sort of pulling together a lot of this conversation.

JACOBS: Correct (ph). And so, the answer to that is no. If somebody works less than 30 hours a week and they get coverage through the exchange, the penalty does not apply. So the penalty only applies in the two – in the two cases. One, if the employer does not offer coverage to their workers, so they're not – they're offering coverage to less than 95 percent of their full-time workers; then there is a \$2,000 per employee penalty for – again, for only those workers 30 hours or more.

Or if it is an offering firm and there are individual workers who are receiving subsidized coverage in the exchange, either because it's not affordable or not everyone is eligible; then the employer pays that \$3,000 penalty on those workers. But it only applies to people working 30 hours or more.

LEVIN-EPSTEIN: So we've thrown a lot at the audience and there's just a ton to digest and people will need to take in what they've heard already to basically understand some of the decisions that have made and

the areas where they can still make comment. So I want to sort of leapfrog us ahead, even as people are trying to grapple with all this new information, to maybe look towards possible solutions to some of the issues that have been surfacing with respect to part-time/full-time and what you describe, Ken, as the cliff.

So, Cheryl, you know we're hearing that there is this cliff and you know Ken's given us a number and identified that you know 50 percent of the problem for those at risk you know rests in two industries; retail and restaurant. Are you hearing among your congressional staff circles anything cropping up around this part-time issue and trying to noodle through what some solutions might be?

FISH-PARCHAM: Sure. Congressional members are very aware of this issue and aware that the Senate and the House have taken different approaches in their bills. But opponents of the Affordable Care Act have called attention to this issue through public hearings and we don't think it's a good time to seek changes in the law. It's probably better to work on the regulations and on encouraging employers to do the right thing.

As Ken and you both mentioned, in the case of Darden and the Olive Garden, employers' public pressure did make a difference and we think that state and local policies can also make a difference regarding workers. The law that was passed by a narrow margin and other issues are on Congress' mind this year.

LEVIN-EPSTEIN: And, Ken, turning to you; do you think that there are politically viable ways to incentivize employers to hire for more than 30 hours?

JACOBS: I think it's a difficult thing to legislate directly, but there are – and so I would agree with Cheryl's point that sort of the public pressure is probably going to be the most effective and really researching; monitoring what's going on.

I think on a state and local level, there are things that can be explored. For example, many living wage laws around the country have a variable wage, where firms have to pay higher minimum if they don't provide health coverage. And since this problem mainly exists for people at or very close to the minimum wage, something like that could be used to provide an added incentive to provide coverage, or at least reduce the incentive to cut hours.

So there are some other ways that this – that this could be addressed, really, and I think the most opportunity is at the state or local level.

LEVIN-EPSTEIN: Yes, yes. Well right now I'd like to introduce our third guest, Carrie Gleason of the Retail Action Project. Actually, it was Carrie that caused this audio conference to happen, because she commented that, from her perspective, she was really worried about a world of retail in which all the jobs in the future would be part-time, both because of the trend that was already there, but sort of prompted along or pushed along by health care reform.

So, Carrie, welcome.

CARRIE GLEASON, RETAIL ACTION PROJECT: Thank you, Jodie. I'm so glad that CLASP and the other host sponsors have organized this call. It's really – it's been really informative.

In the retail sector, there's already been a shift to part-time work for some since (ph). In the past 6 years, involuntary part-time workforce has more than doubled. You can look at Wal-Mart, who also just recently announced that they're – for the company insurance, not insuring workers for less than 30 hours. But they, for many years, have already kind of led the way to this part-time shift, using computer tracking to ensure that workers are getting their – getting Medicaid instead of company health insurance, according to how many hours they're working.

And it's interesting to me. I think it's worth thinking about, well, what does part-time work really mean? Is it just less hours? And in the retail sector, and I think it's the same for many other industries, whether workers part-time – part-time or full-time really defines everything about their job; not just whether or not

they'll get health insurance, but the wage levels are less, whether or not they get paid sick days, and even opportunities to advance.

LEVIN-EPSTEIN: Yes.

GLEASON: And what we found in our research in the retail sector is that workers who are part-time are more likely to be women and also workers of color, so there's this disparate impact of who's going to be – see their hours shrink, potentially, as a result of this trend. And I think that you know if you'd look at the overall sector, I'd be really interested to see the sector breakdown. In the retail sector, I think you'd see about 20 percent of workers vulnerable, as opposed to the 15 percent in restaurants.

LEVIN-EPSTEIN (ph): Yes, yes.

JACOBS: Yes (ph).

GLEASON: And I think that it's interesting, the Affordable Care Act and how this happened, if you look at kind of the historical public policy context, it's not a new trend where there's a federal government policy that's created that kind of cuts part-time workers out of the picture. The Family Medical Leave Act and ERISA protections are really based on annual hours of service, which also means that already so many part-time workers are not accessing these protections.

And so, overall, there's this public policy context that's contributing to underemployment, so I'm hoping that this spotlight on how the Affordable Care Act is impacting part-time workers will really start to raise a bigger discussion of the social safety net and how there's this growing part-time workforce. Are they protected and how can we – how can we ensure that this part-time workforce isn't growing as a result of public policy.

I think that, in terms of the questions around you know it's interesting just to see so much more attention being covered to part-time workers. I think it's time to revive the discussion of potential part-time parity laws.

LEVIN-EPSTEIN: Yes.

GLEASON: Or just not talking about job creation. Politicians only talk about the tally of gross numbers of jobs, but also you know are we – are we creating full-time jobs? And so I like Ken's idea about looking at public dollars and whether or not you know even just the potential; can we think about ratios of full-time to part-time, in terms of you know how we – how we count job creation.

So I think that, in terms of the Affordable Care Act, it was interesting; one positive impact I can see coming from this and based on the information that was shared today, is I'm wondering if this could remedy legal misclassification. So in the retail sector, we'll see workers who are classified as part-time, but working full-time hours, and thus denied company benefits, like health insurance.

And so what's interesting is I think that the regulations will actually begin to draw a line between full-time and part-time and while I do actually think then, especially in the retail sector and other low-wage sectors, you're going to see an increase in part-time workers, at least there's kind of more – there'll be more public policy analysis and more of a delineation between who's part-time and full-time.

On the negative end of it, we submitted comments on – in 2012, on the look-back period and we submitted – our letter of recommendation was for a 90-day period be – to be (INAUDIBLE) ...

LEVIN-EPSTEIN: Carrie, I'm going to ask you to repeat what look-back means for everybody.

GLEASON: Sure. So look-back is how far the employer has to measure whether or not – isn't – well, what's – I guess maybe I would rather have somebody else explain the difference between look-back and measurement period.

FISH-PARCHAM (ph): The look-back is the measurement period. It's how far behind you have to look to decide whether the person worked 30 hours or not, on average.

GLEASON: And so now you know the regulation that ended up being; we recommended you know 3 months or 90 days and now the regulation says it could be any amount the employer chooses, anywhere between 3 months and 12 months, which is just way too much. It allows for way too much manipulation for employers, so I really encourage for all the advocates on the call to take the time to submit these comments, because a lot of these regulations really define how this law plays out in workers' lives.

So my question is just you know in terms of solutions, I do think that there's so much that can be done on the state and local level. If we could – I'd – I would be interested to hear more from Ken or Cheryl about what are the specific policies that we could really pursue on a state level to deter this shift? I think, and for low-wage sectors, like retail and restaurants; those are significant percentages in terms of how many workers are going to be impacted.

And in the retail sector, I mean it's like the second largest growth (ph) sector. It's one in nine Americans are working in retail, so it's millions of workers that we're talking about that are going to be impacted with shrinking hours, potentially, and also not necessarily being able to afford the exchanges.

And so I'm wondering you know I don't even – I'm interested to hear more about – I would be concerned about you know is that the standard is stronger, will saying you know will you have to – a 20-hour cliff. Would this make things better? Would it just then further shrink hours for part-time workers or is there a potential we're looking at part-time/full-time ratios also, because we're seeing a lot of retailers just shift to majority part-time.

LEVIN-EPSTEIN: Ken?

JACOBS: So if I could respond to a couple of the things that you said; just first, on this look-back stability period. Well what it effectively does is it means in many high-turnover industries, because like (ph) – so employers basically can say we're not sure if this person's going to be – if new hire is going to be full-time or part-time. We don't really know how many hours they're going to end up working, so they can take a year to figure that out.

In a high-turnover industry, like restaurants and retail, effectively, the penalty becomes nonbinding and one of the reasons I believe that this impact on hours is going to be much less than some people you know are – many have people have raised is because in a – in a lot of these cases, employers will simply avoid the penalty through these long look-back periods for new hires.

So it cuts both ways. On the one hand, employers are getting away with not providing coverage and the costs are being shifted onto the public, and on the other hand, it reduces that incentive to cut – to cut hours.

In terms of policies, but I think you know you raised this question of part-time parity. It's something that's been used widely in Europe. That – basically saying that the wages need to be equivalent for people who do equivalent work, if they're full or part-time and since that affect – since women are more likely to be in part-time jobs; that's been a way to increase parity there. I think those are very good policies.

And you know as I mentioned earlier, one can look at this issue of having a higher minimum wage if health care is not provided as another way to sort of close this gap on the cliff.

LEVIN-EPSTEIN: And, Carrie, I want to thank you for segueing with a big, large question and big, large observations so that now we're going to be able to spend a hunk of time taking questions from the audience. And I'm going to just fire them at you guys, Ken and Cheryl, and they'll be covering different kinds of topics, so get ready.

The first question is an interesting one I never thought to ask. And it's so basic. When penalties are assessed on employers, where will this money go, exactly? Will it go towards state operational costs of the exchange or will it be used to benefit further coverage expansion in some way? Cheryl?

FISH-PARCHAM: It was one of the – it's in figuring cost of the Affordable Care Act and the benefits of the Affordable Care Act, it was on the revenue side that cancelled out other costs associated, so it was – the Congress is counting on the penalties as one of the financing mechanisms for the Affordable Care Act.

LEVIN-EPSTEIN: So when you say the financing mechanisms, on the ground, what does that mean?  
(INAUDIBLE) ...

FISH-PARCHAM: Well, the government will be paying money for premium tax credit assistance ...

LEVIN-EPSTEIN: I (INAUDIBLE) ...

FISH-PARCHAM: ... and for cost-sharing assistance, it will be collecting money through penalties.

LEVIN-EPSTEIN: OK, great. Next question, and, Ken, you might want to take this one. It's, again, on the large employer provision; does this penalty cover nonprofit employers? We had a question earlier about government and this is about nonprofit employers.

JACOBS: Yes. The – I believe the answer to that is yes.

FISH-PARCHAM: I agree.

LEVIN-EPSTEIN: Excellent.

JACOBS: (INAUDIBLE) ...

LEVIN-EPSTEIN: Excellent. Here we go; we have a question out of Minnesota. Is it clear from current regs that if an employee is offered affordable, self-only coverage and no offer of coverage is made for family members, including spouse, that the family can access credits on the exchange?

Again, I think some of these questions are asking you some of the things you covered before, but with a slightly different lens. Or is it still possible that the family can (ph) access credits, as long as the employee has an offer of affordable, self-only coverage?

JACOBS: The current regulations are that the family cannot access credits if a family member has an offer of affordable, self-only coverage, even if family coverage is not affordable. That is – the final decision on this has not been made, however, and it is a place where people can continue to weigh in.

LEVIN-EPSTEIN: Excellent. Question about the look-back period, Cheryl, and this comes to us from – I don't know what the location is. Regarding the look-back period – this is actually from a business; regarding the look-back period, how often do you need to determine who qualifies? For example, if you choose a 6-month look-back and stability period, are you running a report of your hourlies (ph) every 6 months or do you need to look at this every month?

FISH-PARCHAM: You would be looking at it each new period, so you finish one look-back period, you could start a next – the next look-back period and do a calculation. Once you decide that someone is a ongoing full-time employee, you could just continue to count them as a full-time employee, so this look-back is for people that you haven't made a decision yet.

LEVIN-EPSTEIN: Carrie, I'm going to give you a chance to pop up with another question on your mind, from your perspective with the Retail Action workers that you collaborate with daily. Any particular concerns you're hearing in addition to those you raised earlier?

GLEASON: Yes. I know that you know we – the Retail Action Project is really – we've launched this Just Hours campaign to take on the issues of the fair work week in the retail sector, because it's not just the growth of part-time; we're also seeing workers' hours fluctuate and that means that their incomes are fluctuating.

So we already see members fluctuate in and out of eligibility for Medicaid and I know we don't want to go too deep into this issue, but is a concern that we have for our members. Are they going to be fluctuating in and out between exchanges and Medicaid and just the affordability? I mean the average income for a salesperson in the retail sector is \$21,000, so the income you know the contributions requirements are significant for those workers on the exchanges.

FISH-PARCHAM: Sure. There is concern about the fluctuations between Medicaid and exchange coverage and states are thinking of different ways of dealing with this. For example, they're thinking about having some plans on the exchange that serve in the Medicaid program, as well as in the exchange premium credit programs, so the worker can actually keep the same plan, even though their source of help will change.

So that's one idea and we'd certainly be glad to talk with you about other ideas if you want to e-mail me after the call.

LEVIN-EPSTEIN: Cheryl, a different question we just received is to ask whether or not there are requirements for small tribes with limited resources. The tribe does not currently have health benefits for staff. Are there any specific provisions related to tribes?

FISH-PARCHAM: The Affordable Care Act has a large section about Indian health. I am not the expert on that. I could, again, try to find you someone who would be more conversant after this call.

LEVIN-EPSTEIN: OK. And then, Ken, back to what Carrie had been raising in her earlier comments about the possibility that there might be a chance to look and use the Affordable Care Act and this cliff issue and it's precision with regard to actual hours of work to address one of the larger problems with respect to this fluctuating jobs and hours of work that low-wage workers are often subject to, in which, for example, they actually work a lot more hours than, officially, they're working.

This ought to be bubbling up, potentially, as a result of the Affordable Care Act attention to hours of work. Are there ways to think about that possible silver lining on this difficult issue that you know Carrie's been raising?

JACOBS: I think in that case, employers really will have to pay attention to that 130-hour-a-month threshold. And if, in fact, people are working more than 130 hours a month, the employer will provide coverage or pay the penalty. So that could fall both ways. In some cases, employers could then decide to keep people below the 130 hours or they may decide to go ahead and provide them health coverage.

LEVIN-EPSTEIN: OK. A different question, Cheryl; how is the Affordable Care Act going to affect industries, like unionized construction, where unions pay for members health care out Taft-Hartley trust funds? We have a lot of union groups in this call.

FISH-PARCHAM: The Taft-Hartley trust funds can continue to exist. Collective bargaining agreements can continue to exist. I don't anticipate large changes in that sector.

LEVIN-EPSTEIN: OK. And, Ken, this is a question for you from Minnesota and it states that the question to ask is whether a dependent spouse would be blocked from the exchange if there was no offer of employer coverage at any price. This questioner mentions that, in your answer, you addressed the situation if the dependent spouse had an offer of coverage if dependent coverage was offered, but not affordable. Please clarify.

JACOBS: So if there is ...



LEVIN-EPSTEIN: This is really tough stuff.

JACOBS: Right, right. So if there's no offer of coverage, either individual or spousal, then people can get coverage through the exchange; get the subsidies. If only individual coverage is offered, or individual plus children, and the spouse is not offered coverage, then the spouse could go to the exchange and get subsidies. But if spousal coverage (ph) is offered, even if it's not affordable, then that spouse cannot get subsidies in the exchange.

FISH-PARCHAM: And I just should add the last part about – was in proposed premium credit rules and is reserved in final premium (ph) credit rules, so nothing has been decided for certain about that part.

JACOBS: Right, yes. This is the proposal and it's one that, again, people might want to weigh in on.

FISH-PARCHAM: Right.

LEVIN-EPSTEIN: So I'm going to give you each – each of the three of you a chance to give your most important takeaway to the audience and let's start with you, Cheryl.

FISH-PARCHAM: Well, this sounds like an issue that we need to all monitor in the year to come; that we should working on it on a state and local level and commenting wherever there's room to still comment on the rules. I think people are raising important concerns, but I think that in – that some employers have also exaggerated their planned behavior and that telling employers to do the right thing and cover workers is probably the most important thing we can all be doing right now.

LEVIN-EPSTEIN: Thank you. And, Carrie?

Carrie?

GLEASON: Yes, yes. So yes, I mean I agree with Cheryl. I do think that we need to be looking to solutions. I think that there's so much that can be done. I do think that the laws incredibly complicated and I think that that's impacted the level of comments that advocates have been making. And so, as much as we can continue to have forums like this, where we can figure out the law and figure out a collective response to making sure that we have strong regulations that then cover – impact more working people, I think the better.

I also think that – I think that I disagree on the sector-based approach. I think we need to be looking at how this – the law – the impact of the law from a sector-based approach, because I do – I do think that there will be industries that are impacted like restaurants and retail, but I'm looking forward to more dialog and figuring out some solutions to this.

LEVIN-EPSTEIN: Ken?

JACOBS: First, want to work in a correction from earlier. I've received a note that seasonal workers are covered in terms of the penalty, but they're special provisions on the look-back period and so we can find more details and get that out.

But in terms of the overall takeaway, there is an issue of the cliff and it you know as noted, especially pertains to people who are currently working more than 30 but under 40 hours a week, sort of in that 30 to 36 range is where we'd expect to see the most adjustment downward, where employers will make – work to make sure people stay under that 130-hour threshold.

But the overall problem I think has been exaggerated in terms of the notion that lots of full-time jobs will be cut, because that would be a greater expense to most employers. That said, the numbers of people we're talking about are still notable and it's an important issue, both to monitor closely and also to really look at

the state and local level and what kinds of policies can be done there to discourage a greater move towards part-time work and to – and to address the cliff.

And so along with the federal regulations, I think this is an area where more attention should be paid or attention should be paid of what can be done on the state and local level.

LEVIN-EPSTEIN: Well you know I'm guessing that our audience probably has a ton more questions than they knew they even came to this audio conference call with and the great news is that you can continue your – the conversation on this in an online discussion on [statereform.org](http://statereform.org). State Reform's a nonpartisan Web site, where health care policymakers and stakeholders share information on implementing health care reform.

And it's a program of NASHP; the National Academy for State Health Policy. And we worked with them and we've worked out this special space, just for folks who were, as well as others, who are interested in this particular topic. You can find the discussion space dedicated to this topic of the cliff; the part-time/full-time work issue at [bit.ly/CLASPCall](http://bit.ly/CLASPCall) and that's bit, B I T, dot L Y; B I T dot L Y, slash CLASPCall.

And there are experts already lined up to respond to as many follow-up questions as they have expertise about and that includes Laurel Lucia at U.C. Berkeley, Susan Lambert at the University of Chicago, and Paul Fronstin of the Employee Benefits Research Institute, so start firing away your questions. This link was also in your bibliography that CLASP pulled together of resources. It's right there on the top. Just go there, click, and you can start asking your questions.

Also, when you get off this call, there may be, in your box, a SurveyMonkey, which we ask you to take you know like 12 seconds to fill out to let us know whether or not you'd like another audio conference call, what some of your needs are.

We are going to follow this call, after talking to our experts and identifying the links to all the various ways you can comment, but we also suspect that there are topics that you'd like to have another conference call about or you'd like to tell these experts that you want a particular tool or resource that's not already captured in the bibliography and resource guide that was sent to you. So spend a second on that SurveyMonkey.

I want to close this call with some thanks, first off to Angie Parker (ph), who once again has done an awesome job of this entire registration process. And then I also want to again thank your co-sponsors, Cheryl and Ken and their organizations, and Carrie, for the work that you are doing with the Retail Action Project and getting this conference call to happen.

I thank each of you. I thank each of you who have joined in the audience and we look forward to this continuing conversation; lots of tough issues, lots of new issues. Hang in there; we'll all understand it better and we'll all come up with solutions when problems emerge and develop.

Thank you very much. Have a great, great day. Bye-bye.

FISH-PARCHAM (ph): Bye.

JACOBS: Thanks. Bye.

**END**