

# CPA PRACTICE MANAGEMENT FORUM

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# How CPA Firms Can Capitalize on the Affordable Care Act

By Douglas M. Mueller

CPAs continually strive to be a “go-to” resource for their clients. The Affordable Care Act (ACA) provides an excellent opportunity to do just that. Complexity in legislation often leads to opportunities for CPA firms to assist their clients in understanding the legislation itself, as well as the implications of its implementation. The ACA is a massive undertaking by the federal government to essentially nationalize healthcare and healthcare practices. All large employers, including for-profit businesses, not-for-profit entities, governmental agencies, and union organizations are subject to the mandate. The ACA is complicated, seemingly contradictory, and unclear—and provides the perfect opportunity for CPAs to provide collaborative, consultative, and compliance services. The fact that implementation of many parts of the bill has been postponed makes this the right time for firms to take the initiative and assist their clients as they strategically plan for the implementation and execution of, and compliance with, the ACA. The following discussion will help you assist your clients in meeting the requirements of the ACA.

## Appoint a leader

As you work with your clients, an important first step is to determine who is in charge of implementing the ACA at their company. This may depend on the size of the company. For example, a large company may have a full-time human resources professional in charge of the project; while a small company may not be able to dedicate its human resources staff to the project and may assign another person outside of the department to lead the effort. The leader could also be the company CEO or CFO. If your client has not designated an implementation leader, take the opportunity to recommend that the firm identify and appoint a lead person, and then ensure that person is well-informed and prepared to take on that role.

## Devise a plan

Regardless of who leads the effort, the company should have a plan to handle the complex details and implications of the ACA. If a plan has not been established, this is an excellent opportunity to offer your services to help create one.

As a CPA, you can offer assistance in developing the plan, acting as a project manager, or referring an external resource to support the effort. At this stage, your work is consultative and lays the groundwork for a successful implementation—or a decision not to implement.

Items to consider in the plan include:

- employee headcount;
- full-time vs. part-time employees;
- union employees;
- related companies; and
- organizational structure.

Another key consideration is your client’s employee retention strategy. Although the client may not want to provide healthcare, doing so might serve as a competitive advantage to attract and retain employees.

## Build a team

Next, a consultative strategy can be devised. Because of the ACA’s complexity, a team of professionals may be needed to address the intricacies and specific requirements involved. That team could include the company’s designated implementation leader, its current or potential new health insurance provider, legal counsel, and you, the CPA.

The ACA is a set of intricately intertwined tax laws, labor laws, and health insurance legislation. In advising on the team makeup, you will want to make sure that your client includes appropriate counsel. However, your client should understand the issues and take responsibility to review any final decisions with respect to the implementation of the ACA because the firm is ultimately responsible for any penalties.

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As you help the partners become well-known for their knowledge and capabilities, they will frequently turn to you for new ideas and suggestions.

### Conclusion

There are many ways for you to build credibility, but I think the five categories listed above are essential. I hope these help you strengthen your relationships within your

firm as you learn to combine your marketing and communications skills with the qualities of leadership, insight, integrity, and vision that the partners value so highly.

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**Editor's note:** If you have a specific or theoretical question about an accounting marketing topic, please email it to *Sally.Glick@sobel-cpa.com*. If you prefer to have your name withheld, indicate only your first name, position at the firm, and city. +

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## Affordable Care Act

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As the team is being built, you might gain an opportunity to act as quarterback or play a role as a key member of that team. As you work closely with your client on this project, you will enrich your relationship and possibly identify other opportunities to serve your client's needs. Your involvement on the project might also allow for the opportunity to refer qualified professionals or companies to your client, who, in turn, may provide referrals to you. These referrals would include insurance professionals, human resource consultants, and counsel.

Throughout the implementation process, it is very important to provide your perspective on the ACA regarding the tax laws and potential penalties; as a CPA, you will be more familiar with those issues than any of the other collaborative team members. For instance, you can help calculate the penalties if your client does not provide affordable care, or if the coverage is not sufficiently broad.

### Other considerations

A key issue, and one of the most overlooked by insurance professionals, human resource professionals, and even some counsel, is attribution rules. The CPA should learn those rules and be a resource to his or her client and its team. Key considerations are to determine which companies are related and not related because that affects the critical headcount of 50 employees—the trigger point requiring your client's compliance with the ACA—and evaluate if alternate ownership structures could be established to keep related companies below the 50-employee threshold.

The use of independent contractors presents another challenge and opportunity for CPAs to advise their clients. As the IRS continues to step up its efforts to identify misclassified workers, coupled with the penalties associated with the ACA, it will be critical for employers to properly classify such workers as employees or independent contractors. CPAs can assist their clients by understanding the rules, evaluating duties, comparing roles to similar roles in the region or industry, and even venture into reasonable compensation studies.

Once the ACA is implemented, your role may transition from consultant to compliance reviewer to determine if your client is providing complete and accurate reporting. As your client's business and staffing levels change, there will be ongoing opportunities to reevaluate structures and policies within the company. This work might include both compliance and consultative service offerings.

### Conclusion

For now, with the vast rules of the ACA still being crafted, your best bet is to be a consultative partner by:

- assisting clients in forming a strategy;
- helping them select qualified professionals for an advisory team;
- guiding them through the evaluation of input to the process; and
- helping them implement a strategy that best matches their needs.

This is clearly a time when your knowledge and insight can further develop your relationship with your client and deepen your role as their trusted advisor.

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**About the author:** Douglas M. Mueller, CPA, is the President of Mueller Prost PC. He is a nationally recognized consultant for THE WALL STREET JOURNAL and MONEY MAGAZINE. He is regarded as a leading business advisor for corporate and emerging tax issues. For 35 years, Doug has focused his practice on working with high-net-worth clients and structuring assets to minimize their current tax liabilities and decrease their tax burdens. He serves the St. Louis community as a member of various charitable, educational, and business-related boards. He is a graduate of the University of Missouri—St. Louis with a degree in Business Administration. For more information, contact Doug at *dmueller@muellerprost.com* or 314-862-2070. +