

Focus on Health Care

Tax and Credit Committee addresses Obamacare.

Story & photos by **Troy Smith**, field editor

Impacts the new health care law is having or is likely to have on farms, ranches and feedlots as employers was a subject of much interest to National Cattlemen's Beef Association (NCBA) members attending the 2014 Cattle Industry Convention in Nashville, Tenn. Attendance was high at NCBA's Tax and Credit Committee, where guest speaker Matthew Turkstra talked about how the effects of "Obamacare" will vary relative to business size.

Turkstra said the health care law is just one of numerous interests that cattlemen share with some 350,000 small businesses represented by the National Federation of Independent Business (NFIB), for which Turkstra serves as manager of legislative affairs. Turkstra said many cattle operations must be prepared to deal with tax and regulatory consequences of the Patient Protection and Affordable Care Act. Unfortunately, it is not easy to understand in its present form, and it may change.

"The rules are very complicated," affirmed Turkstra, explaining that implementation of certain requirements originally written into

the law have been delayed until 2015. The law already calls for revision of some of those requirements by 2016. Additionally, Turkstra said the health care law establishes 14 new taxes affecting small businesses.

"The law does impact businesses differently, depending on whether they are large or small, and whether they currently offer health insurance to employees," said Turkstra, "and each state's experience will be different, depending on its participation in Medicaid."



► Matthew Turkstra said many cattle operations must be prepared to deal with tax and regulatory consequences of the Patient Protection and Affordable Care Act.

Turkstra said it is clear that large businesses must offer health insurance or pay penalties. Large businesses are those with 50 or more full-time employees, and the health

Freedom to Operate

Committee decides its priorities for future action.

Story & photo by **Kasey Brown**, associate editor

The Freedom to Operate Committee is designed to "walk the walk," said Daren Williams, executive director of communications for the National Cattlemen's Beef Association (NCBA), addressing the committee during the 2014 Cattle Industry Convention in Nashville, Tenn. The committee oversees sustainability research, and the beef and veal quality-assurance programs.

Kim Stackhouse-Lawson, NCBA director of sustainability research, explained that the United Nations' *Livestock's Long Shadow* report sparked sustainability research from the beef industry, though the beef industry can also benefit by positive interaction with millennial consumers.

"Green is a trend, but sustainability is a mind-set," she added. "It's not going to go away."

The checkoff-funded research began three years ago. The first stage of the research is completed, and the *Sustainability Executive Summary* is the first and largest assessment of its kind.

"This gives us a new credible amount

of leadership, and a seat at the table in sustainability discussions," Stackhouse-Lawson said. The summary can be viewed online at www.beefboard.org/news/files/FY2014/Sustainability-Executive-Summary-graph-proof-5.pdf (see "Sustainability: More than a Buzzword," page 172).

Future steps for sustainability research included gathering regional data and exploring the socioeconomic benefits of ongoing grazing research.

The bigger issue is the possibility of sustainability inclusion in nutrition guidelines, but the creators of those guidelines are not beef fans (see "Dietary Guidelines" page 176), she emphasized. "We need to stop picking on commodities and start addressing the real problem to sustainability — food waste."

Quality assurance

The Beef Quality Assurance (BQA) program has increased certifications by 10%, said Ryan Ruppert, BQA senior director, which was 58% more than the year before. Recent market research will



► NCBA Associate Director of Legislative Affairs Kent Bacus said congressional representatives have engaged in serious discussion of tax reform for the first time in many years.

care law defines “full-time employee” as those working 30 or more hours per week. Insurance offered by large businesses must not exclude pre-existing conditions and must not have annual or lifetime caps on benefits. If a group plan is offered, the employee share of premium cost must not exceed 40%, and there can be no cost-share requirement for preventive care services. Employees’ dependent children are covered until age 26.

“Rules for small businesses are different,” said Turkstra, explaining that there is no mandate for businesses with fewer than 50 employees to offer health insurance. If small businesses do offer coverage, deductible limits are \$2,000 for an individual and \$4,000 for family coverage. Dependent coverage is not mandated.

Small businesses that do offer employee health insurance are eligible to use “exchanges” from which they may choose policies eligible for federal subsidies. However, Turkstra said online enrollment has been delayed until 2015.

“This law only works if the insurance companies participate, but the government can’t force them to,” offered Turkstra, who

also expects increased consolidation of the insurance industry.

Committee members also heard a report on tax reform efforts from NCBA Associate Director of Legislative Affairs Kent Bacus. He said congressional representatives have engaged in serious discussion of tax reform, for the first time in many years. Unfortunately, discussions came to a screeching halt when Senate Finance Committee Chairman Max Baucus of Montana was appointed U.S. Ambassador to China.

“The pathway forward is unclear,” said NCBA’s Bacus. “There has been some effort toward tax reform in the House Ways and Means Committee, and President Obama has called for reforms, but it’s going to be hard to get anything done before legislators shift more of their attention to congressional campaigning.”



Editor’s Note: This article contains information compiled from the Angus Journal’s online coverage of the 2014 Cattle Industry Convention and NCBA Trade Show, which is available online at www.4cattlemen.com.

Comprehensive coverage online

For comprehensive coverage of the 2014 Cattle Industry Convention and NCBA Trade Show, visit the Newsroom at www.4cattlemen.com, an event coverage site compiled by the *Angus Journal* editorial team.

The www.4cattlemen.com is one of a suite of events covered by the *Angus Journal*. All can be located in the *Angus Journal Virtual Library* available at www.api-virtuallibrary.com. Also covered are the Applied Reproductive Strategies in Beef Cattle symposium, the Range Beef Cow Symposium, Beef Improvement Federation annual symposium and the National Angus Conference & Tour. The *Angus Journal* has been compiling coverage on many of these meetings for more than 10 years.



Plans Forward Movement

be used to enhance future programs like ATV training. He highlighted Boehringer Ingelheim Vetmedica Inc.’s partnership for the second year to sponsor two months of BQA training online through Kansas State University’s Beef Cattle Institute.

Cattle producers have through April 15 to take advantage of Boehringer’s offer to pick up the \$25-\$50 certification fee for cattlemen interested in becoming certified or recertified during this period. Visit www.bivi-bqa.com to take advantage of the open certification period.

“It only takes six to seven years for somebody to fall behind the industry if they don’t go to education events. The BQA program has avoided many black eyes with the media,” said Ruppert.

The Veal Quality Assurance program is working to update production practices by encouraging group housing, incorporating ethical principles and standards, and working toward outcome-based standards when possible. Partnerships with BQA and similar programs, explained Barry Carpenter, CEO of the North American Meat Association, help with materials and outreach to prevent media issues.



► Kim Stackhouse-Lawson, NCBA director of sustainability research, explained that the United Nations’ *Livestock’s Long Shadow* report sparked sustainability research from the beef industry, though the beef industry can also benefit by positive interaction with millennial consumers.

The Freedom to Operate Committee, chaired by Kent Pruismann, determined its priorities for future action:

- Develop meaningful research to create messages and define sustainability.
- Strengthen partnerships that can help tell beef’s positive story.

- Provide leadership through research that attracts partnerships.
- Proactively tell sustainability and quality-assurance program stories.
- Communicate quality assurance results.

