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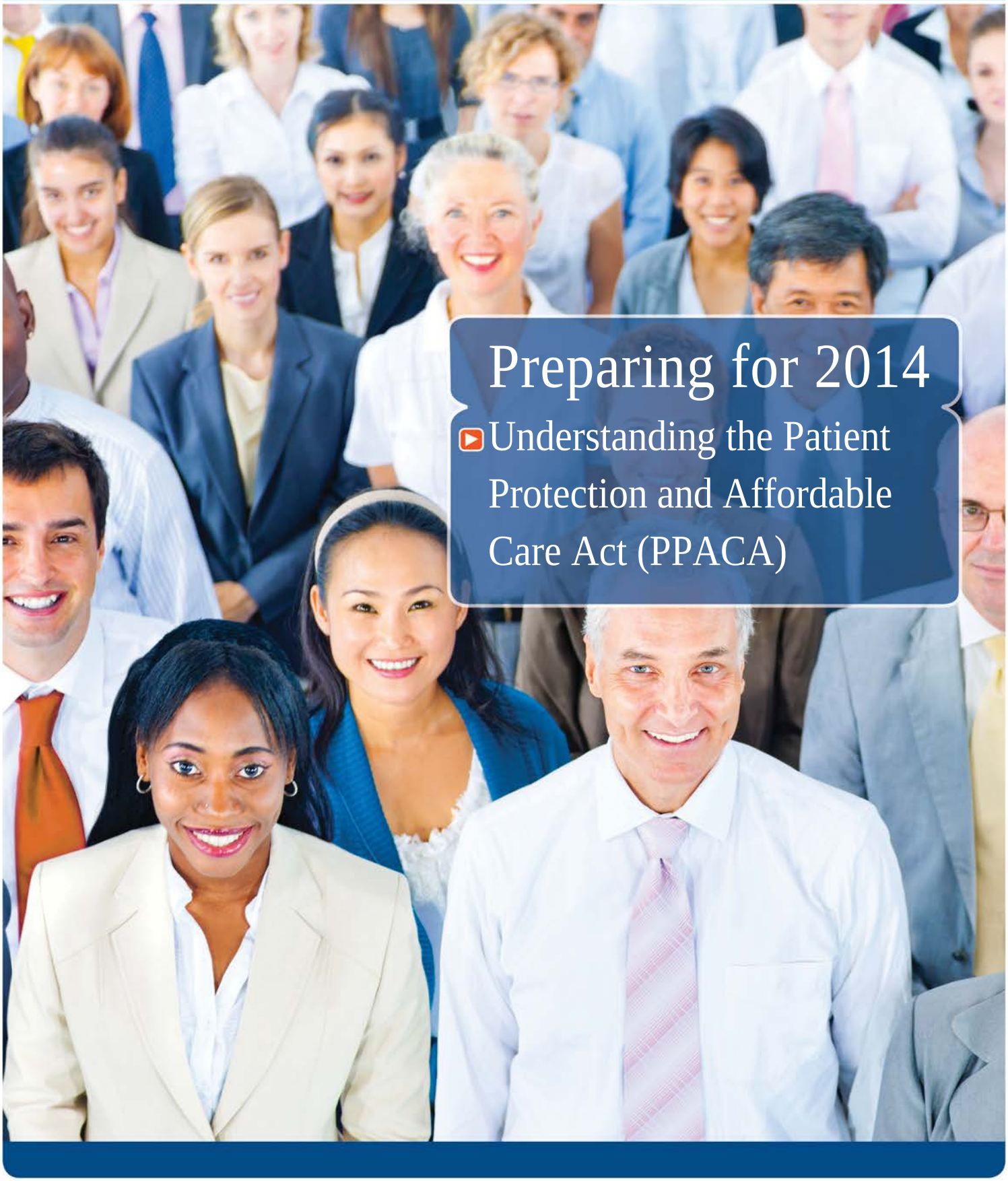
A PPACA Guide for Employees

ROOSEVELT UNIVERSITY



Preparing for 2014

Understanding the Patient Protection and Affordable Care Act (PPACA)

The Basics of PPACA

What's the difference between Health Care Reform, the Affordable Care Act, PPACA and Obamacare?

There is no difference. These are different names for the same law.

What is PPACA going to do in 2014?

One of the main goals of PPACA is to limit the number of Americans without health coverage. This is being done by:

- Requiring most Americans to have some type of health insurance, or pay a penalty, and
- Making it easier for individuals to obtain coverage, by:
  - Creating insurance "exchanges" or "marketplaces"
  - Encouraging larger employers to provide coverage to all full-time employees
  - Making it easier for people who have medical problems to get insurance

What is the requirement to have health insurance?

Most Americans and other people legally in the U.S. must have "minimum essential" coverage, or they will have to pay a penalty with their federal income tax. You may hear this called the individual mandate.

What is "Minimum Essential Coverage"?

"Minimum essential coverage" is basic medical coverage. It can be provided by:

- An employer
- The government (Medicare, Medicaid, CHIP, TRICARE, VA, etc.)
- An individual policy (which can be purchased through or outside the exchange)

What happens if I don’t have minimum essential coverage?

People who don’t have the needed coverage will have to pay a penalty with their federal income tax return. For 2014, the penalty will be one percent of the person’s household income (with a minimum penalty of $95).

What if my family doesn’t have coverage?

The penalty will apply to each adult in the household who does not have coverage. One-half of the penalty applies to dependent children under age 18 who don’t have coverage. The maximum penalty per family is three times the individual penalty.

What if I can’t afford coverage?

No penalty will apply if the cost of the least expensive health plan through your employer is more than eight percent of your household income. Other types of assistance, such as Medicaid, may be available to employees with low incomes.

What kinds of employer-provided coverage will meet the health coverage requirement?

Most employer-provided medical coverage will meet the requirement. This includes PPOs, HMOs, and high deductible health plans, whether they are insured or self-funded.

Grandfathered plans will meet the requirement. Plans that provide limited coverage, like dental only, vision only, hospital indemnity, accident only, certain diseases only, standalone HRAs and plans with lifetime or annual dollar limits will not meet the requirement. You will receive a Summary of Benefits and Coverage with your next open enrollment that tells you whether your plan provides minimum essential coverage.

You can be covered as an employee, spouse, retiree, or COBRA participant under the employer-provided coverage. It does not matter what kind of employer it is - private/for profit companies, state and local governments (including schools), churches and non-profit organizations all qualify.

Do my spouse and children have to be covered under the same plan or policy that covers me?

No, you may be covered under different plans or policies.

What if I only have coverage for part of the year?

You will not owe a penalty if you go without coverage for less than three consecutive months during the year. (If you have coverage for even one day in a month, that will count as coverage for that month.)

Health Insurance Marketplaces

What's a Health Insurance Marketplace?

A Health Insurance Marketplace is a marketplace that is being set up in each state to make it simpler for people and small businesses to compare health insurance options. The Health Insurance Marketplaces will not provide insurance, but they will make sure the insurance plans offered through the Health Insurance Marketplaces meet requirements to cover certain types of care at certain benefit levels. They will also provide services to help individuals choose a plan.

What happens if my state decides not to set up a Health Insurance Marketplace?

If a state decides not to set up a Health Insurance Marketplace, the federal government, through the Department of Health and Human Services (HHS) will perform the services on behalf of the state. This is called a federally facilitated Health Insurance Marketplace or FFE.

Who can buy coverage through a Health Insurance Marketplace?

Although most people who can buy insurance through their employer or Medicare are expected to keep that coverage, you and your family members will be able to buy coverage through the Health Insurance Marketplace if you prefer.

Are there any advantages to having coverage through my employer instead of the Health Insurance Marketplace?

You will not be able to buy Health Insurance Marketplace coverage with pre-tax dollars.

It is unlikely your employer will contribute to a Health Insurance Marketplace plan as it does for its own plan.

Are there any advantages to having coverage through the Health Insurance Marketplace instead of my employer?

The Health Insurance Marketplaces may offer more choices than most employer plans.

If your employer does not provide coverage that meets requirements for minimum value and affordability, and your income is low enough, you may be able to get a tax credit if you buy coverage through the Health Insurance Marketplace.

Are there limits on stopping and starting coverage in a Health Insurance Marketplace?

People may only enroll in a Health Insurance Marketplace during open enrollment or if they have a special enrollment event.

The first open enrollment will be from Oct. 1, 2013 – March 31, 2014. Coverage will begin on Jan. 1, 2014 for those enrolling by Dec. 15, 2013. Coverage will begin on the first of the following month for those enrolling between late Dec. 2013 and the end of March 2014. (For years after 2014, annual open enrollment for individuals will be from Oct. 15 – Dec. 7, with a Jan. 1 effective date.)

People who have a special enrollment event (marriage, birth, adoption, loss of coverage under an employer plan, loss of coverage that was affordable and met minimum value requirements) will have a 60 day special enrollment period in which they can elect coverage through a Health Insurance Marketplace, or change plans within the Health Insurance Marketplace.

Where can I get information?

You can visit the government website – www.healthcare.gov. We will provide more information later this year. (Depending on where you live, the marketplace may be called a Health Insurance Marketplace or have another name.)

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