HEALTHCARE REFORM 101:
10 Things Employees Need to Know About Health Insurance in 2014

1. I've heard about the Health Insurance Marketplace. What is it?

The Health Insurance Marketplace is a new way for individuals, families and small businesses to shop for health insurance plans. The Marketplace is sometimes referred to as an Exchange. Beginning October 1, 2013, individuals and families will be able to go online (or call), fill out an application, and compare different insurance plan options. Applying for health insurance through the Marketplace is the only way to qualify for tax credits to help offset the cost of health insurance premiums. This year, annual enrollment for the Marketplace will be open from October 1, 2013 to March 31, 2014.

2. If I apply for health insurance through the Marketplace, will I be eligible for a tax credit?

If you apply for health insurance through the Marketplace for yourself or your family, your eligibility to receive a tax credit generally depends on your income and the coverage offered by your employer. Single individuals with household incomes of less than $46,000, and families of four with household incomes of less than $94,200 may qualify for tax type credits if they are not offered health insurance through their employers. If your employer offers you and your family health insurance, it is unlikely you will qualify for a tax credit. However, you can still purchase health insurance through the Marketplace even if you are not eligible for a tax credit.

3. I want to purchase health insurance through the Marketplace. Where do I go for more information?

Please visit www.healthcare.gov for more information about the Marketplace. There, you can sign up to receive emails with important news and updates about the Marketplace. By October 1, 2013, you will also receive a notice from your employer providing important information about the Marketplace. If you begin a new job after October 1, 2013, you will receive this notice shortly after your start date. It will contain important information about your employer’s health plan that you will need to complete the health insurance application if you decide to purchase health insurance through the Marketplace.

4. Will I have to pay a tax if I do not have health insurance for myself or my family?

Yes. Beginning in 2014, most individuals will either have to purchase health insurance through their employer or the Marketplace, be enrolled in Medicare, Medicaid, or another healthcare program, or pay a tax. The tax starts off at $95 per person ($47.50 for dependents under age 18), or 1% of household income, whichever is greater. This tax will increase in the future.
5. **I do not have health insurance now and need to purchase it to avoid the tax in 2014. What are my options?**

You may purchase insurance in the Marketplace. Annual enrollment for the Marketplace will begin on October 1, 2013. At that time, you will be able to purchase health insurance through the Marketplace for yourself and/or your family that will be effective on January 1, 2014. Purchasing coverage through the Marketplace will allow you to avoid the tax for yourself and your dependents.

You may enroll in your employer's health plan. If you are eligible for your employer’s health insurance plan but are not enrolled, you can enroll at the next annual enrollment.

If you miss the annual enrollment deadlines for the Marketplace or your employer, you will not be able to enroll in health insurance coverage unless you experience certain life events, such as the birth or adoption of a child, or a termination of employment.

6. **Will I be able to get health insurance for my spouse or children?**

In the Marketplace, you can purchase individual health insurance plans and family health insurance plans.

If you are eligible for health insurance through your employer, your children up to age 26 should also be eligible. If you want to cover your children on your employer’s health plan, you will also need to enroll as an employee. Your employer’s health plan does not have to offer coverage for your spouse, but your employer may choose to. If your spouse is not eligible for coverage under your employer’s plan, your spouse can purchase individual insurance in the Marketplace.

7. **What if I am sick or I smoke? Will I still be able to get health insurance in the Marketplace?**

Yes. Beginning in January 2014, insurance carriers cannot deny health insurance coverage to people with pre-existing health conditions. However, if you use tobacco, your insurance premiums may be higher. If you are offered health insurance through your employer, pre-existing condition exclusions will be eliminated at the first group health plan renewal in 2014.

8. **I get my health insurance coverage through my employer. Will my benefits change in 2014?**

Maybe. Some employers may have to change their health insurance plans due to new requirements, like the new 90 day limit on eligibility waiting periods, elimination of lifetime and annual limits, and coverage of preventative care with no co-pays or coinsurance. However, certain health insurance plans that are grandfathered do not have to comply with all of the requirements. Employers are still allowed to change the cost of health insurance for employees, change parts of the plan such as the deductible and co-pays, or change the type or number of plan choices available.
9. **My employer only offers me a limited benefit, or mini-med, plan. Will I be able to keep this plan?**

Some employers may offer employees a limited benefit plan, sometimes known as a mini-med plan. Generally, these plans are less expensive than major medical health insurance but only provide coverage of limited services up to a certain low dollar limit. Part of the new healthcare reform law requires health insurance plans to eliminate annual or lifetime dollar limits. As a result, insurance carriers are eliminating limited benefit or mini-med plans and employers will no longer be able to offer them to employees. These plans will be terminated by December 31, 2013.

10. **Health insurance can be expensive. What if health insurance is unaffordable for me?**

Depending on your income, you might be eligible for Medicaid. Under the new law, some states have chosen to expand eligibility for Medicaid. Other states, like North Carolina, have chosen not to expand eligibility for Medicaid. If you do not qualify for Medicaid, you may still be eligible for tax credits to help offset the cost of health insurance premiums if you buy health insurance through the Marketplace. See Question 2 for more information about these tax credits. Generally, employees offered health insurance by their employer will not be eligible for tax credits unless the health insurance offered by the employer for individual employees only is unaffordable. The law sets certain guidelines for affordability for individuals and families with household incomes less than 400% of the Federal Poverty Level.

If you have any questions or need further assistance, please contact Human Resources.