

The Affordable Care Act & You

It was three years ago that the Patient Protection and Affordable Care Act was signed into law on March 23, 2010. The Affordable Care Act, or simply the "ACA" as it's commonly referred to, was enacted to "reform our health care system" by making affordable health care available to millions of uninsured Americans and by improving the quality and efficiency in the way in which it is delivered.

Some of the law's changes have already taken effect including making coverage available for adult dependent children up to age 26, eliminating pre-existing conditions for children up to age 19 and providing no-cost coverage for preventive care services. Still, many more changes are heading our way and undoubtedly, you'll soon be hearing about some of the biggest ones that are set to take effect on January 1, 2014. So what does this mean for you and what do you need to do? Here are answers to some of the most commonly asked questions.

What is "health care reform?"

"Health care reform" is the term commonly used in place of the law's official name - the Patient Protection and Affordable Care Act. The law is also referred to as the Affordable Care Act, PPACA, ACA and Obamacare. The intent of the law, in conjunction with the passage of similar state laws, is to "reform" the current health care system by improving the quality of medical coverage and making it more affordable and accessible to uninsured Americans.

Why was the notice titled "New Health Insurance Marketplace Coverage Options and Your Health Coverage" sent to me?

As a part of the Affordable Care Act (ACA) that was passed in 2010, employers are required to provide this notice to all employees regardless of whether or not they are eligible to participate in Employment-Based Health Plans. This notice of the soon-to-launch Marketplace (also known as Exchanges) must be provided to all employees by October 1, 2013.

Why is the Marketplace being established?

Under the ACA, beginning January 1, 2014 individuals will be required to have minimum essential health coverage, or else be subject to a penalty. This is referred to as the "individual mandate." The Marketplace is intended to help individuals meet the individual mandate requirement by providing another place to purchase coverage, and possibly qualify for federal assistance to do so. Information and details are available at HealthCare.gov.

Do I have to purchase health coverage through the Marketplace?

No. You may still obtain health coverage from other sources.

What if I am covered under my employer's plan? Can I keep it?

Yes. Most Employment-Based Health Plans will qualify as the coverage required under the individual mandate requirements. You do not need to purchase coverage through the Marketplace in order to avoid the individual mandate penalty.

Can I drop myself or my dependents from my Employment-Based Health Plan to purchase a plan through the Marketplace or outside of the Marketplace?

In some cases, yes, but in many cases, no. Employment-Based Health Plans have very specific rules around enrollment. In general, special enrollment and disenrollment are permitted during the year based on events such as marriage, divorce and the birth of a child. Generally, employees may not change unless the employee experiences a change in status allowed by the Employment-Based Health Plan.

Note: Per SISC guidelines, all employees who are benefit eligible are required to participate in all health benefits offered by the district/county offices of education. There is no opt out option, for employees, at this time.

How do I know if I qualify for assistance to purchase my coverage through the Marketplace?

Individuals who are not offered qualifying healthcare coverage through their employer may be eligible for government subsidies to help pay for health insurance premiums for plans purchased in the Marketplaces. Subsidies are based on the household income level and how many dependents you have. If your employment-based health plan is considered affordable according to government definition and meets minimum value requirements, you won't be eligible for government subsidies on premiums in the Marketplace. This is true regardless of your household income and family size. As state Marketplace sites are launched over the next months, you will be able to get details about a possible subsidy.

What if I choose not to get medical coverage?

Starting in January 2014, if you aren't covered by an individual, government, or employer plan (either through your own employer or that of a spouse or parent) and you don't get coverage through a health insurance marketplace, you'll be charged a tax penalty by the government. The penalty will only be charged if you go without medical insurance for three months or longer. Individual penalties start off at the greater of \$95 or 1% of household income, but are set to increase significantly each year. The IRS will assess penalties annually based on your tax return.

How does the law affect FCOE?

The Affordable Care Act includes some very specific provisions for employers such as FCOE. While FCOE has been compliant with all of the guidelines thus far, there will be more changes coming for 2014. Lastly, we will be evaluating our plans to ensure that they meet the standards specified by the law. FCOE'S plan costs are based on a variety of factors including claims experience so it is impossible, at this time, to determine what effects the law will have on our costs.

What do I need to do now?

You don't need to do anything immediately, but you'll want to stay tuned for more information. Until the health insurance marketplaces open in October, you may want to learn all you can about the Affordable Care Act.

How can I get more information about the Affordable Care Act?

The government has a dedicated website with interactive tools that may answer some of your questions about the Affordable Care Act. There are also some short video clips that explain items like "health insurance marketplaces." The website address is www.healthcare.gov. Employees in California may also visit www.coveredca.com.

The intent of this document is to provide general, not specific, information regarding the provisions of Affordable Care Act (ACA). It should not be construed as, nor is it intended to provide, legal or financial advice.