

Frequently Asked Questions for Employees about the New Health Insurance Marketplace

Q1: What is the “Exchange” or “Marketplace” that I’ve been hearing about?

A1: The Exchange/Marketplace is a new health insurance marketplace in each state. The marketplaces are established under healthcare reform act that was passed in 2010. The marketplace is an on-line site where individuals and smaller employers may go to purchase health insurance coverage for 2014.

Q2: Why is the Marketplace being established?

A2: Under federal law, beginning Jan 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.

Q3: Where can I find information on the Health Insurance Marketplace?

A3: Each state was given the option to establish its own Marketplace (formerly referred to as an “Exchange”) for its residents. Many states, including Florida, elected not to set up their own Marketplace. For each state that doesn’t have its own Marketplace, the federal government is establishing what is referred to as the FFE – Federally Facilitated Exchange. Information on the plans offered on the FFE for Florida will be available no later than Oct 1, 2013, when the Marketplace begins accepting enrollment applications (for coverage that will generally begin on Jan 1, 2014). Further information on the Marketplace for each state can be found through the website <https://www.healthcare.gov/>, or by calling 1-800-318-2596, 24 hrs a day/7 days a week.

Q4: Why is having insurance for me and my dependents important in 2014?

A4: Starting Jan 2014, all people are required to have minimum essential coverage for themselves and their dependents, or pay a penalty on their tax return for each uninsured person. This requirement has been referred to as The Individual Mandate. Employer provided group health coverage is considered minimum essential coverage, as is health coverage through Medicare, TRICARE, Medicaid, CHIP, and various other governmental programs. Individuals can also purchase separate individual health plans to offer minimum essential coverage, or be covered under their spouse’s or parent’s employer group health plan to avoid this penalty.

Several groups are exempt from the requirement to obtain coverage or to pay the penalty, including people who would have to pay more than 8% of their income for health insurance, people with incomes below the threshold required for filing taxes (in 2012, \$9,750 for a single person and \$26,000 for a married couple with two children), those who would have qualified for Medicaid except their state did not expand the program, those who qualify for religious exemptions, members of Indian tribes, undocumented immigrants, and people who are incarcerated.

The penalty for people who forego insurance is the greater of \$695 per year (up to \$2,085 for a family) or 2.5% of income (income is defined as total income in excess of tax filing threshold). These penalties are phased in over time at \$95 in 2014, \$325 in 2015, and \$695 beginning in 2016 (with annual increases after that) and 1% of income in 2014, 2% in 2015, and 2.5% starting in 2016.

Q5: Do I have to purchase health coverage through the Marketplace?

A5: No. You may still obtain health coverage from other sources if you are eligible. To avoid the individual mandate penalty, you will want to confirm that the coverage you obtain provides “minimum essential coverage” under the rules.

Q6: What are some possible other sources of coverage?

A6: Your employer, your spouse’s employer, Medicare, the individual market, etc.

Q7: What if I am covered under my employer’s plan? Can I keep it?

A7: Yes. Most employer plans, including the Board of County Commissioner health plan, 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. You may, if you would like, however.

Q8: Can I drop myself or my dependents from my group plan to purchase a plan through the Marketplace or outside of the Marketplace?

A8: Maybe yes, maybe no. Employers and Marketplaces have very specific rules around enrollment and disenrollment. In general, both have an annual open enrollment period (which will usually be different) and permit special enrollments during the year based on events

such as marriage or birth of a child. Although these rules are similar, they are not identical. In addition, determining when you can change an election outside the annual open enrollment period will be determined by IRS regulations and the terms of the group health plan. Generally, employees may not change an election unless the employee experiences a change in status permitted by the IRS and allowed by the group health plan.

Q9: If I drop my group coverage offered through my employer during the Open Enrollment period so that I can purchase coverage through the Marketplace, then decide I do not want to purchase coverage individually or through the Marketplace; can I then re-enroll in my employer's group health plan?

A9: See response to Q 7.

Q10: How do I know if I qualify for assistance to purchase my coverage through the Marketplace?

A10: 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 (based on income level and how many dependents you have). Generally, household income must be below 400% of the federal poverty level (which in 2013 is about \$46,000 for an individual, or \$78,000 for a family of three), in addition to some other rules, in order to qualify. Whether you qualify will depend on what kind of coverage your employer offers. If your job-based coverage is considered affordable and meets minimum value requirements, you won't be able to get lower costs on premiums or out-of-pocket costs in the Marketplace. This is true no matter what your income and family size are. As state Marketplace sites are launched over the next months, you will be able to get details about a possible subsidy.

Q11: Will my employer subsidize my health coverage if I purchase it through the Marketplace?

A11: Employers are not required to help you pay for coverage that you purchase through the Marketplace. With most employer-provided plans, the employer pays a portion of the premium cost. Another thing to consider is that premiums paid for an employer sponsored plan are deducted from your pay pre-tax which means that you do not pay income or social security taxes on these premiums which may result in substantial savings. You should consider this when making decisions about where to obtain your health coverage.

Q12: Will I be able to see my same doctor if I purchase coverage through the Marketplace instead of at work?

A12: Maybe yes, maybe no. Insurance purchased through the Marketplace may have different provider networks.

Q13: When will the Marketplace in my state be open for business?

A13: Open enrollment in the Marketplaces is scheduled to begin Oct 1, 2013, with coverage to generally become effective Jan 1, 2014. Please refer to the Marketplace in your state for further information.

Q14: Do I have to enroll by January 1, 2014 in order to get coverage through the Marketplace?

A14: No. In this first year of Marketplace coverage, you may enroll until March 31, 2014. But if you enroll after Dec 15th of this year, your coverage will have an effective date that is later than Jan 1, 2014. To avoid having coverage beginning Jan 1, 2014, and potentially incurring a penalty, you should enroll by Dec 15, 2013 if you wish to satisfy the individual mandate with coverage obtained through the Marketplace.

Q15: Will my employer's health benefits program be available through the Marketplace?

A15: No, it will not be available through the Marketplace.

Q16: Can my employer help answer questions regarding the Marketplace?

A16: Your employer is not trained to answer questions about the Marketplace, but there are people who are being trained to help consumers. These include Navigators, Certified Application Counselors, and Application Assistants. These trained people will be reaching out to the community and you may see them at malls, at local events, or through advertisements. You may also contact the Marketplace directly for assistance at 1-800-318—2596, 24 hours a day, 7 days a week.

This document is intended to provide the recipient supplemental information only. It is not intended to be legal, tax, or consulting advice, and should not be relied upon as such. Please contact your tax professional or the Marketplace directly at 1-800-318-2596, available 24 hours a day, and 7 days a week. Additional information can also be found at www.healthcare.gov