

Health Care Reform Q/A



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Pros of Health Care Reform



- **No exclusions for pre-existing conditions**
- **10 Essential Health Benefits for Comprehensive Coverage:** (ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and facilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care)
- **Preventive care 100% covered**
- **Standard Summary of Benefits and Coverage makes comparing plans easier**
- **Dependents can stay on plan until 27 (through 26 years old)**
- **No more lifetime limits**
- **Improved appeals process**
- **85% of premiums (large group), 80% (small, individual) must be used for claims and improved quality or rebate-Medical Loss Ratio**

Cons to Health Care Reform



- **Government mandate**
- **Confusion with new process and online access**
- **Taxes, fees**
- **Impact on premiums (pro or con?)**

How to Apply on the Exchange

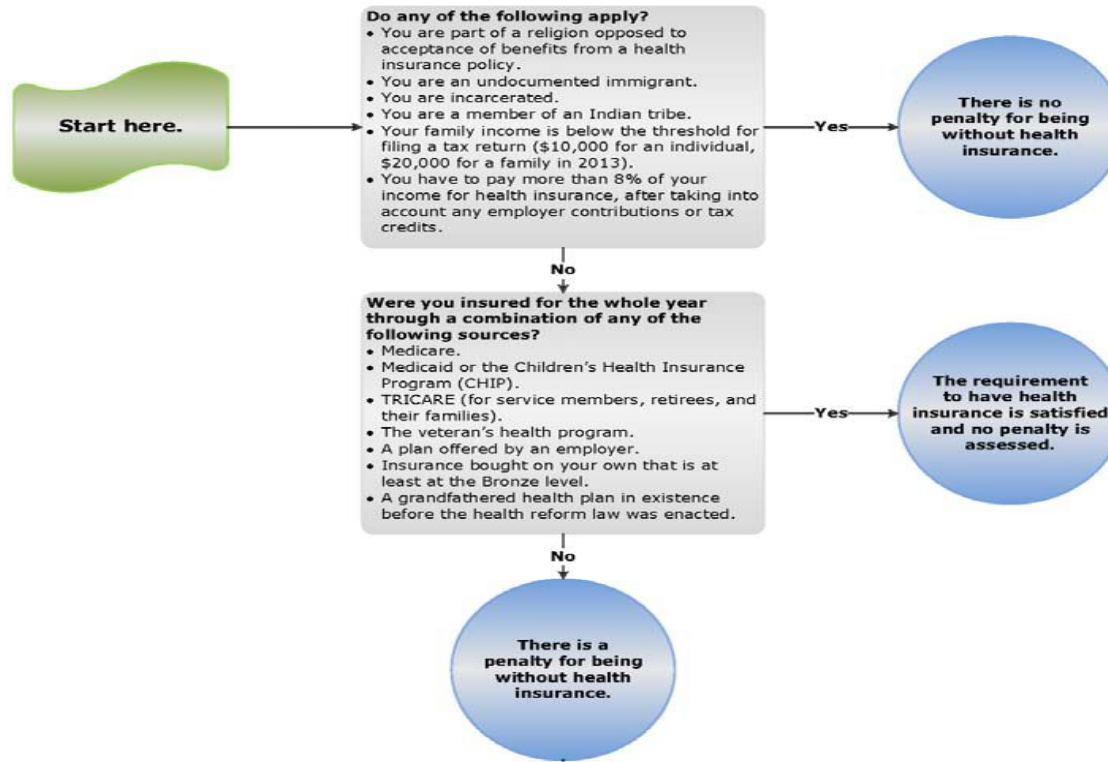


- Online-SHOP begins November, Individual now at www.healthcare.gov
- Mail/paper applications
- Navigator, Qualified Helper, Application Assister, Certified Application Counselor (<https://localhelp.healthcare.gov/>)

*Please remember-you must enroll before Dec. 15 for Jan. 1 coverage:

Set up an account
Input information for the application
Compare plans
Enroll

The Requirement to Buy Coverage Under the Affordable Care Act Beginning in 2014



2014	2015	2016 and Beyond
Penalty is \$95 per adult and \$47.50 per child (up to \$295 for a family) or 1.0% of family income, whichever is greater.	Penalty is \$325 per adult and \$162.50 per child (up to \$975 for a family) or 2.0% of family income, whichever is greater.	Penalty is \$695 per adult and \$347.50 per child (up to \$2,085 for a family) or 2.5% of family income, whichever is greater.

Income is defined as total income in excess of the filing threshold (\$10,000 for an individual and \$20,000 for a family in 2013). The penalty is pro-rated by the number of months without coverage, though there is no penalty for a single gap in coverage of less than 3 months in a year. The penalty cannot be greater than the national average premium for Bronze coverage in an Exchange. After 2016 penalty amounts are increased annually by the cost of living.



Key Facts:

- Premiums for health insurance bought through Exchanges would vary by age. The Congressional Budget Office estimates that the national average annual premium in an Exchange in 2016 would be \$4,500-\$5,000 for an individual and \$12,000-\$12,500 for a family for Bronze coverage (the lowest of the four tiers of coverage that will be available).
- In 2012 employees paid \$951 on average towards the cost of individual coverage in an employer plan and \$4,316 for a family of four.
- A Kaiser Family Foundation subsidy calculator illustrating premiums and tax credits for people in different circumstances is available at <http://healthreform.kff.org/subsidycalculator.aspx>.

Will the Employer Pay A Penalty? *beginning in 2014*

Are you a large employer?

- at least 50 full-time equivalent workers
- including full-time [30+hours per week] and part-time workers [prorated]
- excluding seasonal workers [up to 120 days per year]

yes

no

Are any of your full-time employees
in an exchange plan and receiving
a premium credit ?

yes

no

Do you have more than
30 full-time employees?

yes

no

Do you provide health insurance?

yes

no

No penalty

Pay Monthly Penalty, lesser of:

$1/12 \times \$2,000 \times$
(Number of full-time
employees - 30)

or

$1/12 \times \$3,000 \times$
(Number of full-time
employees who receive
credits for exchange coverage)

Pay Monthly Penalty

$1/12 \times \$2,000 \times$
(Number of full-time
employees - 30)