

# Healthcare Reform and Your Benefits



## You and Healthcare Reform

The Patient Protection and Affordable Care Act (PPACA, also known as Healthcare Reform) is a set of laws that affect healthcare coverage in the United States. While there is a lot of information on this topic in the media, some of it may seem confusing or conflicting. To help you navigate the road ahead, we have highlighted the key items you need to know.

## You and your benefits through The District

Your well-being is important to us. Wallingford-Swarthmore School District continues to offer health and wellness benefits to help you and your family stay healthy and provide financial protection against high medical costs. To enroll in the District's plans you must meet the eligibility requirements set by the District. Please refer to your Collective Bargaining Agreement or your Compensation Plan for your specific eligibility.

The plans we offer, and the District's contribution to them, exceeds the standards for an "affordable healthcare plan" under federal law.

*Please be aware that the new federal law requires everyone to have health insurance coverage as of January 1, 2014. **If you choose to waive coverage and are not covered under a different health plan, you may be subject to a penalty. If you choose to be covered under the District's plan, you will meet your requirement for coverage.***

## You and Insurance Marketplaces (Exchanges)

You may have heard about new health insurance marketplaces, where each state determined what type of Marketplace would be offered to its residents (State-operated, Partnership, or Federally-operated). Go to [healthcare.gov](http://healthcare.gov) to find out what is offered in your state. Individuals who are not offered qualified healthcare coverage through their employer may be eligible for government subsidies to help pay for health insurance premiums for plans purchased in these marketplaces (based on the level of their income and number of dependents). Due to the high standard of health coverage the District offers, a majority of our employees will not be eligible for these subsidies.

*The attached notice ("New Health Insurance Marketplace Coverage Options and Your Health Coverage") will provide you with detailed information on this topic. This Marketplace Notice is the required written notice all employers must provide to employees with information about the health coverage options available.*

To find out more about the new insurance marketplaces, visit [healthcare.gov](http://healthcare.gov), or refer to the attached Frequently Asked Questions.



## Frequently Asked Questions for Employees about the New Health Insurance Marketplace

- 1. Q: What is the “Exchange” or “Marketplace” that I’ve been hearing about?**  
**A:** The Exchange/Marketplace is a new health insurance marketplace in each state. The Marketplaces are established under the 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.
- 2. Q: Why is the Marketplace being established?**  
**A:** Under federal law, 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.
- 3. Q: Do I have to purchase health coverage through the Marketplace?**  
**A:** 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.
- 4. Q: What are some possible other sources of coverage?**  
**A:** Your employer, your spouse’s employer, Medicare (if eligible in your state), the individual market, etc.
- 5. Q: What if I am covered under my employer’s plan? Can I keep it?**  
**A:** Yes. Most employer plans will qualify as they provide 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.
- 6. Q: Can I drop myself or my dependents from my group plan to purchase a plan through the Marketplace or outside of the Marketplace?**  
**A:** 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.

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**7. Q: How do I know if I qualify for assistance to purchase my coverage through the Marketplace?**

**A:** 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 about \$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.

**8. Q: Will my employer subsidize my health coverage if I purchase it through the Marketplace?**

**A:** 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. You should consider this when making decisions about where to obtain your health coverage.

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

**A:** Maybe yes. Maybe no. Insurance purchased through the Marketplace may have different provider networks.

**10. Q: When will the Marketplace in my state be open for business?**

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

**11. Q: Do I have to enroll by January 1, 2014 in order to get coverage through the Marketplace?**

**A:** No. In this first year of Marketplace coverage, you may enroll until March 31, 2014. But if you enroll after December 15th of this year, your coverage will have an effective date that is later than January 1, 2014. To avoid not having coverage beginning January 1, 2014, and potentially incurring a penalty, you should enroll by December 15, 2013 if you wish to satisfy the individual mandate with coverage obtained through the Marketplace.

**12. Q: Will my employer's health benefits program be available for purchase through the Marketplace?**

**A:** Possibly, if your employer is considered to be a small employer under the rules, and has chosen to purchase its program for employees through the Marketplace. Generally, employers with over 100 employees, or in some states 50 employees, may not purchase their programs for employees through the Marketplace yet. Employers of any size may offer coverage through regular channels, however, just as they do today.

***The intent of this analysis is to provide general information regarding the provisions of current healthcare reform legislation and regulation. It does not necessarily fully address all your organization's specific issues. It should not be construed as, nor is it intended to provide, legal advice. You should contact your tax advisor or an attorney who specializes in this practice area regarding specific issues.***



# New Health Insurance Marketplan Coverage Options and Your Health Coverage

Form Approved  
OMB No 1210-0149  
(expires 11/30/2013)

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## PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employmentbased health coverage offered by your employer.

### What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

### Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

### Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing, if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.<sup>1</sup>

**Note:** If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution - as well as your employee contribution to employer-offered coverage - is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

### How Can I Get More Information?

For more information about your coverage offered by your employer, please contact your Human Resources office.

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The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit [HealthCare.gov](http://HealthCare.gov) for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

<sup>1</sup> An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.



# New Health Insurance Marketplan Coverage Options and Your Health Coverage

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## PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name Wallingford-Swarthmore School District	4. Employer Identification Number (EIN) 23-1740499	
5. Employer address 200 S. Providence Road	6. Employer phone number 610-892-3470 extension 1406	
7. City Wallingford	8. State PA	9. ZIP code 19086
10. Who can we contact about employee health coverage at this job? Eileen Seichepine, Benefits – Human Resources Department		
11. Phone number (if different from above)	12. Email address eseichepine@wssd.org	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:

All employees

Some Employees. Eligible Employees are:

For your specific eligibility, please refer to your Collective Bargaining Agreement or your Compensation Plan provided by the District.

- With respect to dependents:

We do offer coverage. Eligible dependents are:

Spouse, Same-sex domestic partner, Dependent Child(ren) up to the age of 26.

We do not offer coverage.

- If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

\*\* Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, **HealthCare.gov** will guide you through the process.