



What Do I Need to Know About Health Care Reform?

Information about the Affordable Care Act from the Benefits Helpline at Sprague Israel Giles

The Affordable Care Act (ACA) was passed in 2010, with the goals of controlling costs, improving the health care delivery system, and expanding coverage. The law continues to affect health insurance and the health care delivery system. While the last couple of years of work have been more focused on improving systems and processes, 2014 will be a big year for health care consumers. Here are just a few ways in which the ACA has affected your employee health insurance, and what you can expect in the coming months.

What Has Already Happened?

Expanded Coverage: The ACA already requires that insurers allow parents to cover their children until they reach age 26, and prohibits insurers from imposing pre-existing condition exclusions on children under age 19. In addition, preventive care is now available free-of-charge, and has been expanded to include immunizations for children and adults and additional preventive care services for women.

Restrictions for Insurers: Insurers for large groups must spend 85% of premium dollars on health costs and claims. Small group insurers must spend 80% of premium dollars on health costs and claims. In addition, insurers are not allowed to cancel coverage other than for fraud or non-payment of premiums.

Insurance Industry Fees: In order to help fund the Health Insurance Exchanges that will start up in 2014, certain fees are now assessed to health insurers; some of this cost is passed on to employers and individuals in the form of higher insurance premiums.

What's Next for Health Care Reform?

Individual Mandate: Beginning in January 2014, nearly all Americans must have health insurance or pay a tax. For 2014, the annual tax for those without health insurance will be the greater of \$95 or 1% of income. The tax will increase each year thereafter.

Health Insurance Exchanges: In order to help people obtain health insurance, each state will have a Health Insurance Exchange that will help individuals choose a health plan and apply for coverage. Beginning October 1st, our own state Exchange, called the "Washington Healthplanfinder" will be open for business. The first plans sold will be effective on January 1, 2014.

Help with Premiums: For individuals who meet certain income thresholds, are not eligible for coverage through their employers, or for whom employer-sponsored coverage is unaffordable, premium assistance will be available. The Exchange will also help individuals determine eligibility for State and Federal health plans like Medicaid and Apple Health for Kids.

What Do Employers Have to Do?

The Federal Government is relying on employers to help get the word out by distributing a new "Exchange Notice." This notice is required by the U.S. Department of Labor and designed to inform employees about how to access information about the Health Insurance Exchanges. In addition, the government now requires that a Summary of Benefits and Coverage (SBC) be distributed to all enrolled employees. This document will help employees compare employer plans to other employers' plans and to plans offered in the Exchange. SBCs for all the medical insurance plans are available on the Benefits Website, or you may request a paper copy by calling the Benefits Helpline at (206) 957-7066.

Might You Be Eligible for Subsidized Coverage Through the Exchange?

The short answer is "probably not." Most employees are eligible for employer-sponsored plans that qualify as "comprehensive coverage" under the ACA and eligible employees pay little or no premium for employee-only coverage. If your employee-only coverage costs less than 9.5% of your household income, it is deemed affordable, then you and your family would not be eligible for a premium subsidy through the Exchange. In addition, you cannot use the employer premium contribution towards Exchange coverage. But, you may find that even without a subsidy to help pay the premium, coverage through the Exchange might be a good option for your family members. In addition, Exchange plans may be viable options for employees who are not eligible for employer-sponsored coverage, and subsidy eligibility would be determined based on family income.