The Federal Health Insurance Marketplace –
What It Means for You in 2014

The information in this document is only intended to be general summary information about the federal Health Insurance Marketplace for University of Wisconsin employees. It is not intended to provide legal or professional advice, or take the place of either the written law or regulations.

Detailed information about the Health Insurance Marketplace can be found at http://www.healthcare.gov or at 1-800-318-2596 (TTY at 1-855-889-4325).

Your HR/benefits office cannot provide you with advice or counseling about the Marketplace but can help you with questions about the State Group Health Insurance program.

These frequently asked questions are divided by main topics:

- The Health Insurance Marketplace
- The State Group Health Insurance program
- Federal Health Care Reform
- Glossary

Health Insurance Marketplace Information

1. What is the Health Insurance Marketplace?
   As part of the federal Patient Protection and Affordable Care Act (ACA), each state will have a Health Insurance Marketplace (also called the Exchange) on January 1, 2014. The purpose of the Marketplace is to give more people access to affordable health insurance. The Marketplace is a one-stop shop to compare health insurance plans offered by private insurance companies.

   The insurance plans in the Marketplace all offer the same core set of benefits. These are called essential health benefits. No plan can turn you away or charge you more because you have an illness or medical condition.

   The Marketplace lets you compare plans based on price, quality, and other features that are important to you. Beginning on October 1, 2013, you can get help online, by phone, by chat, or in person. Call 1-800-318-2596, 24 hours a day, 7 days a week. (TTY: 1-855-889-4325).

2. What do I need to do?
   Most Americans are required to have health insurance on January 1, 2014 or face a penalty. See Question 13.

   If you have State Group Health Insurance coverage, you don’t need to do anything, but you may want to review the coverage available through the Marketplace to see if it could be a better option for you. See Question 4.

   If you’re not eligible for health insurance through your job or you can’t afford the health insurance your employer offers, the Marketplace may give you other options for insurance. Depending on your income, you may be able to get help paying the premium.
In addition to employer-sponsored health insurance, other insurance coverage also satisfies the requirement that you have health insurance as of January 1, 2014. This includes individual insurance plans, Medicare, Medicaid, TRICARE, the Children's Health Insurance Program (CHIP), Veterans health care plans and Peace Corps Volunteer plans.

3. Is everyone eligible to go to the Marketplace?
Almost everyone is eligible to purchase health insurance through the Marketplace. You just need to live in or be a U.S. citizen or national (or be lawfully present) and not be incarcerated.

4. Should I go to the Marketplace?
If you are covered by the State Group Health Insurance plan or other employer-sponsored health insurance, there is likely no benefit to you buying health insurance in the Marketplace. The Marketplace will be most beneficial to those who are not eligible for, or who pay more than 9.5% of their wages for, their employer-sponsored health insurance. (Examples at the UW include Craftworkers, lower-earning employees working less than half-time and student employees.)

If you don't have health insurance or the monthly cost to you for your insurance is more than 9.5% of your household earnings, you should see if the Marketplace can help you get insurance that is more affordable. See Question 6.

If you buy insurance through the Marketplace, rather than enrolling in an employer’s plan, you will likely not be eligible for a premium subsidy through the Marketplace, you will not be eligible for any employer contribution toward the premium, and your premiums will generally be paid on an after-tax basis.

Before you make a decision to cancel your employer-sponsored health insurance, be aware that:

- Your employer will not pay any part of the premium for insurance purchased in the Marketplace.
- Your premiums for Marketplace coverage cannot be deducted from your paycheck.
- Your premiums for Marketplace coverage will be paid on a post-tax basis (most employer plans deduct employee premiums on a pre-tax basis).
- For UW and State of Wisconsin employees, if you cancel your State Group Health Insurance and buy health insurance through the Marketplace, you may lose the ability to convert the value of your sick leave credits to pay your health insurance premiums at retirement, layoff or death. Also see Question 12.
  - In order to be able to convert sick leave credits to pay for health insurance premiums in retirement, you must have State Group Health Insurance in force at the time of retirement (or at termination of employment with 20 years of WRS service).
  - You will lose your ability to escrow your sick leave credits for conversion to pay for health insurance as an annuitant.
If you die, your surviving dependents cannot use your sick leave credits to pay for State Group Health Insurance premiums.

If you are retiring or are terminating with 20 years of WRS service and you purchase a Platinum Level plan (see Question 5) through the Marketplace, it is considered comparable coverage. This means that the Department of Employee Trust Funds will allow you to escrow (or save) your unused sick leave credits for later use. If you select a different level of coverage through the Marketplace, you may not be able to escrow your sick leave credits.

See the Sick Leave Credit Estimator webpage for additional information about the sick leave conversion credit program.

5. How do I know what’s available in the Marketplace?
The options available in the Marketplace differ by state. Go to HealthCare.gov to learn about the Marketplace in your state.

All plans will offer essential health benefits but you will need to decide what is most important to you – greater coverage or lower costs. There are 4 different coverage categories (see below). The different categories do not reflect the quality or amount of care the plans provide – the categories differ by premium and out-of-pocket expenses.

When you compare Marketplace insurance plans, you will need to determine which category best suits your needs. The 4 categories are referred to as the “Marketplace Metal” plans:

- **Bronze** - Lowest monthly premiums and the highest out-of-pocket expenses
- **Silver** - Low monthly premiums and high out-of-pocket expenses
- **Gold** - High monthly premiums and low out-of-pocket expenses
- **Platinum** - Highest monthly premiums and the lowest out-of-pocket expenses

The Platinum plans will pay more of the costs if you need a lot of medical care. The Bronze plans will likely have the lowest monthly premiums but will have higher out-of-pocket costs when you use medical services.

*Note*: The Marketplace also offers "catastrophic" plans to people under 30 years old and to some people with very low incomes. Learn more about catastrophic plans.

6. Can I get help paying the premium for coverage purchased through the Marketplace?
It depends. You may eligible for a premium subsidy for coverage purchased through the Marketplace if any of the following apply:

- Your employer-sponsored health insurance does not meet certain **minimum standards**.
  If you have coverage through the State Group Health Insurance program, this coverage meets the required minimum standards; or
- Your coverage available to your is not considered “affordable;” or
- You are not eligible for coverage through your employment
If you apply for a premium subsidy you’ll need to estimate your household income for 2014. If you know your 2013 adjusted gross income, use that and take into account any changes you expect in 2014. If your income is less than 400% of the poverty level, you may eligible for a subsidy. For a single person, 400% of the 2013 poverty level is $45,960. For a family of four, 400% of the 2013 poverty level is $94,200.

You’ll see the amount of savings you’re eligible for when you fill out your Marketplace application. These lower costs are handled with a subsidy called the Advance Premium Tax Credit. These tax credits can be applied directly to your monthly premiums, so you pay the lower premium right away.

Use a calculator to see if you are eligible for the subsidy and/or to estimate the amount of subsidy available, if any.

7. When can I enroll in the Marketplace?
The Marketplace open enrollment period is October 1, 2013 – March 31, 2014. If you apply for coverage on or before December 15, 2013, coverage will be effective January 1, 2014.

After December 15, 2013, if you enroll between the 1st and 15th day of the month and pay your premium, your coverage begins the first day of the next month. For example, if you enroll on February 10, 2014, your coverage begins March 1, 2014.

If you enroll between the 16th and the last day of the month and pay your premium, your effective date of coverage will be the first day of the second following month. For example, if you enroll on February 16, 2014, your coverage starts on April 1, 2014.

The first Marketplace enrollment period ends on March 31, 2014. In future years, you may enroll during the annual enrollment period from October 15 to December 7 for coverage effective on the next January 1st. You may also enroll within 30 days if you have a qualifying life event, like marriage, divorce or having a baby.

8. What information do I need to enroll in the Marketplace?
You will be required to complete an application based on the state in which you live. See HealthCare.gov to learn how to prepare to apply for coverage.

You will need:

- Your employer’s name and address.
- Your employer’s federal Employer Identification Number (EIN). You can find the EIN in box b. on your W-2 and on the Marketplace notice (UW Marketplace Notice) you received from your employer.
- To know if you are eligible for insurance through your employer or a family member’s employer or if you will become eligible in the next three months.
- To know if you are covered for insurance through your employer or a family member’s employer.
- An estimate of your household income for 2014.
- If the employer plan meets the minimum value standard (the State Group Health Insurance program does meet the minimum value standard).
• The amount you would pay for single coverage under the employer plan’s least expensive plan that meets the minimum value standard. For 2014:
  o WRS-Eligible employees pay $88 per month
  o Graduate Assistants/Short Term Academic Staff not covered by the WRS pay $44 per month
  o Craftworkers pay the full premium of the health plan selected (use single rate)
  o WRS-covered employees who work less than 50% and Classified LTE's with one appointment pay 50% of the total premium (use single rate)
• If there are plan changes to the employer plan for the coming year (there are no plan changes for 2014 for State Group Health Insurance program).

If you need assistance getting this information, please contact your benefits office.

9. Can I get help in understanding my options or with enrolling in the Marketplace?
   The Marketplace will offer several kinds of assistance to help you apply for coverage and choose a plan that meets your needs, such as:
   • Online questions and answers
   • Online chat — available now
   • A toll-free call center—available now
   • People in your community trained to help you apply and enroll—available by October

   All states will have people trained and certified to help you understand your health coverage options and enroll in a plan. They will be known by different names, depending on who provides the service and where they are located. All will provide similar kinds of help:
   • Navigators
   • Application assistors
   • Certified application counselors

   Insurance agents and brokers can also help you with your application and choices.

   When open enrollment starts October 1, 2013, the Marketplace Help Center will assist you in finding the kind of help that works for you.

**State Group Health Insurance**

10. Can I enroll in State Group Health Insurance before January 1, 2014?
   If you’re eligible for health insurance through your job at the UW but are not enrolled, you may enroll during the Annual Benefit Enrollment (ABE) period of October 7 – November 1, 2013. Coverage is effective on January 1, 2014. See the UWSA [ABE website](#) for more information.
11. How do I know if my health insurance is affordable?
Employer coverage is considered affordable if your share of the annual premium for self-only
coverage is 9.5% or less of your annual household income. If you’re offered employer-
sponsored coverage that’s affordable and provides minimum value, you won’t be eligible for a
subsidy.

The State Group Health Insurance program meets the minimum value requirements of ACA and
most employees working half-time or more pay less than 9.5% of their annual household
income for premium, based on the employee cost for single coverage under the lowest cost
plan.

Employees who are required to pay half the total premium (such as LTEs) or those required to
pay the full cost (such as Craftsmen or newly hired classified employees who are not yet
eligible for the employer contribution towards the premium), may find that their premium cost is
more than 9.5% of their annual household income and may want to see what options the
Marketplace offers.

**Important Note:** If you are covered by the State Group Health Insurance program and decide to
buy insurance through the Marketplace, you will need to cancel your State Group Health Insurance
during the It’s Your Choice period, October 7 – November 1, 2013, by submitting a State Group
Health Insurance application or canceling online through eBenefits (if eligible). Your signed
application must be received by your Benefits/HR office by 4:30 p.m. on November 1, 2013.

Federal Health Care Reform

12. Is there a penalty if I don’t have health insurance in 2014?
In addition to paying the full cost of any medical services you receive, you may pay a penalty
when you file your income taxes for 2014. The penalty does not apply to you if:

- The least expensive health plan offered by the employer costs you more than 8% of
  your household income; or
- You are without insurance for less than three consecutive months during the year (any
  month in which you are covered counts for the month even if you are only covered for
  one day in the month).

The penalty in 2014 is 1% of your yearly household income or $95 per adult for the year,
whichever is higher. The penalty increases every year. In 2015 the penalty will be $325 per
adult or 2% of income, whichever is higher.

In 2014, the penalty for uninsured children is $47.50 per child. No matter how many children you
have, the most a family would have to pay in penalties in 2014 is $285. In 2015, the penalty for
uninsured children will be $162.50 per child, up to a family maximum of $975 or 2% of income,
whichever is more.
13. What's the difference between Health Care Reform, the Affordable Care Act, PPACA and Obamacare?

There is no difference. These are different names for the same federal law that was signed by President Obama on March 23, 2010. Different provisions of the law have different effective dates. Some parts of the law are already effective, such as the elimination of limits on coverage for pre-existing condition, removal of the annual and lifetime benefit maximums, eligibility of children to remain covered under a parent’s health insurance plan until age 26. See Key Features of the Affordable Care Act by Year.


- Comprehensive information is available at Healthcare.gov
- State of Wisconsin Office of the Commissioner of Insurance Frequently Asked Questions
- UW System Administration Federal Health Insurance Marketplace website
- Information available in languages other than English: www.healthcare.gov/language-resource/ or call Healthcare.gov at 1-800-318-2596.
Glossary

**ACA** is a common name for the Patient Protection and Affordable Care Act, or the federal statute signed into law in 2010. It is a set of health insurance reforms that began in 2010 and will continue to roll out in 2014 and beyond.

**Bronze** is a type of plan that will be available in the Health Insurance Marketplace. The Bronze level is typically associated with the lowest monthly premiums and the highest out of pocket expenses as compared to other Marketplace Metal plans.

**Catastrophic/Catastrophic Plan** is a plan that will be made available in the Health Insurance Marketplace alongside the Metal plans. This plan will provide minimum coverage and will be available only to those 30 years of age and under or to those who qualify for “hardship exemptions.”

**Cost-Sharing Reduction** is a specific type of subsidy available for persons who are at or below 250% of the Federal Poverty Level. It’s designed to help those with lower incomes pay fewer out-of-pocket expenses.

**Essential Health Benefits (EHBs)** are set of health care service categories that must be covered by certain plans, starting in 2014.

The ACA ensures health plans offered in the individual and small group markets, both inside and outside the Health Insurance Marketplace, offer a comprehensive package of items and services, known as essential health benefits. Essential health benefits must include items and services within at least the following 10 categories: 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 habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

Insurance policies must cover these benefits to be certified and offered in the health insurance marketplace, and all Medicaid state plans must cover these services by 2014.

**Exchange** is another name for the Health Insurance Marketplace. Starting on October 1st, the Health Insurance Marketplace can be used to compare health insurance options based on features like price, benefits and quality, and then to enroll in the right plan. In Wisconsin, the Health Insurance Marketplace can be found at www.healthcare.gov.

**FPL/Federal Poverty Level** is a measure of income level issued every year by the Department of Health and Human Services that is used to determine people’s eligibility for certain benefits, including if they qualify for subsidies to help pay for health insurance.

**Fees** apply starting Jan. 1, 2014, if someone doesn’t have a health plan that qualifies as minimum essential coverage. He or she may have to pay a fee that increases every year. The fee is paid on the
2014 federal income tax form, which is completed in 2015. People with very low incomes and others may be eligible for waivers.

**Full-time Employee** for ACA is an employee who works an average of at least 30 hours per week (so part time would be less than 30 hours per week).

**Gold** is a type of plan that will be available in the Health Insurance Marketplace. The Gold level is typically associated with high monthly premiums and low out of pocket expenses as compared to other metal plans.

**Grandfathered Health Plan**, as used in connection with the ACA: A group health plan that was created on or before March 23, 2010. Grandfathered plans are exempted from many changes required under the Affordable Care Act. Plans or policies may lose their “grandfathered” status if they make certain significant changes that reduce benefits or increase costs to consumers. A health plan must disclose in its plan materials whether it considers itself to be a grandfathered plan and must also advise consumers how to contact the U.S. Department of Labor or the U.S. Department of Health and Human Services with questions. The State Group Health plan is not considered to be a grandfathered health plan.

**Health Care Reform** is the collective name for the changes to health care legislation after 2010, namely the Patient Protection and Affordable Care Act.

**Health Insurance Marketplace**, starting on October 1, 2013, the Health Insurance Marketplace can be used to compare health insurance options based on features like price, benefits and quality, and then to enroll in the right plan. In Wisconsin, the Health Insurance Marketplace can be found at [http://www.healthcare.gov/](http://www.healthcare.gov/).

**Health Plan Categories** are used for plans in the marketplace. Plans are primarily separated into four health plan categories — Bronze, Silver, Gold or Platinum — based on the percentage the plan pays of the average overall cost of providing essential health benefits to members. The plan category you choose affects the total amount you’ll likely spend for essential health benefits during the year. The percentages the plans will spend, on average, are 60 percent (Bronze), 70 percent (Silver), 80 percent (Gold), and 90 percent (Platinum). This isn’t the same as coinsurance, in which you pay a specific percentage of the cost of a specific service.

**Healthcare.gov** is the home for the Health Insurance Marketplace beginning on October 1, 2013 and the main communication and education platform on all things related to health care reform populated by the U.S. government.

**Individual Mandate** is the requirements that, with a few exceptions, legal U.S. citizens will be required to have health insurance starting on January 1, 2014.

**Large Employer Mandate** is a provision of the ACA that requires businesses with 50 or more employees to offer health insurance benefits to all full-time workers or face a penalty of $2,000 per
uninsured employee. This provision was delayed until January 1, 2015 to simplify the process in which large employers have to report compliance to the law.

**Marketplace**, starting on October 1, 2013, the Health Insurance Marketplace can be used to compare health insurance options based on features like price, benefits and quality, and then to enroll in the right plan. In Wisconsin, the Health Insurance Marketplace can be found at [http://www.healthcare.gov/](http://www.healthcare.gov/).

**Metal/Metals** is the common name for four of the five plans that will be available in the Health Insurance Marketplace. They are Platinum, Gold, Silver and Bronze and they all have differing levels of out of pocket expenses and monthly premiums.

**Minimum Essential Coverage** is the type of coverage an individual needs to have to meet the Individual Mandate. This includes job-based coverage, Medicare, Medicaid and certain other forms of coverage.

**Navigator** is an individual or organization that is trained to help individual consumers and small businesses as they navigate their health coverage options in the Health Insurance Marketplace. These individuals will be unbiased and their services will be free to all consumers.

**Obamacare** is a common name for the Patient Protection and Affordable Care Act, or the federal statute that President Obama signed into law in 2010. It is a set of health insurance reforms that started in 2010 and will continue to roll out in 2014 and beyond.

**Open Enrollment** is the time when individuals who are eligible to enroll in a qualified health plan can do so using the Health Insurance Marketplace. This year the Open Enrollment Period is October 1, 2013 to March 31, 2014. For 2015 and beyond, the Open Enrollment Period is October 15th to December 7th of the previous year.

**Patient Protection and Affordable Care Act** is the federal statute that President Obama signed into law in 2010. It is a set of health insurance reforms that started in 2010 and will continue to roll out in 2014 and beyond.

**Penalty/Penalties** is the tax penalty individuals will pay for not maintaining a minimum level of health coverage for themselves and their dependents. In 2014 that penalty is $95 per uninsured person or 1 percent of household income and that amount increases in 2015 and beyond.

**Platinum** is a type of plan that will be available in the Health Insurance Marketplace. The Platinum level is typically associated with the highest monthly premiums and the lowest out of pocket expenses as compared to other metal plans.

**Play or Pay** is a common name for the provision of the ACA that says that large employers with 50 or more employees will have to offer health insurance to 30-hour-a-week FTEs in 2013 or pay a per-employee fine. This provision begins on January 1, 2015.
**PPACA** is the federal statute signed into law in 2010. It is a set of health insurance reforms that started in 2010 and will continue to roll out in 2014 and beyond.

**Pre-Existing Conditions** is any condition, physical or mental, that you had before the date that new health coverage starts. Beginning in 2014, health insurers cannot turn you away or charge you more because of a health condition. There are currently no limits placed on coverage of pre-existing conditions under the State Group Health Plan.

**Premium Tax Credit** is a new tax credit that might help you afford your plan if you purchase health coverage through the Health Insurance Marketplace. If you qualify, advance payments of the tax credit can be used right away to lower your monthly premium costs.

**Silver** is a type of plan that will be available in the Health Insurance Marketplace. The Silver level is typically associated with low monthly premiums and high out of pocket expenses as compared to other metal plans.

**Special Enrollment** is a time outside of the open enrollment period during which you can sign up for health coverage, with some exceptions. These special periods occur following a certain life event that involves a change in family status (marriage or birth of a child for example) or loss of job-based health coverage.

**Subsidy** is a Premium Tax Credit or Cost-Sharing Reduction available to many low and middle-income Americans to assist them in obtaining health coverage through the Health Insurance Marketplace.

**Tax Penalty** is a penalty you will potentially for not maintaining a minimum level of health coverage for yourself and your dependents. This penalty will be assessed on your tax returns. In 2014 that penalty is $95 per uninsured person or 1 percent of household income and that amount increases every year after that.

If you need this material interpreted or in a different form, or if you need assistance using this service, please contact us.

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