

INDIVIDUAL MANDATE & PUBLIC HEALTH INSURANCE EXCHANGES FAQs

Individual Mandate for Medical Coverage

Q1. What is the individual mandate?

The individual mandate states that nearly everyone must have medical coverage on January 1, 2014 or pay a penalty.

Q2. If I have coverage through work, do I fulfill the individual mandate?

Generally, yes. For MCOE employees with coverage through an MCOE plan, the mandate is fulfilled. There are some health plans — like cancer or critical illness insurance, or stand-alone dental or vision plans — that don't fulfill the mandate. Most Americans with private insurance or government coverage through programs like Medicare, Medicaid or Veterans Affairs (VA) options fulfill the mandate.

Q3. Is anyone exempt from the individual mandate?

Some people may be exempt from having to buy coverage or pay a penalty, like people with very low income, people who would have to pay more than 8% of their household income for coverage, members of American Indian tribes or certain religious organizations, and people with short gaps in coverage (less than three months).

Q4. How much is the penalty if I don't have medical coverage for all of 2014?

For 2014, your penalty would be the **greater** of

- \$95 per adult family member and \$47.50 for each dependent under 18 ... up to \$285 per family

OR

- 1% of your household income (less your exemption and standard deductions), up to the national average cost of "bronze" level exchange coverage for your family size

Penalties will increase in 2015 and following years.

Q5. Do I have to buy other coverage, like dental and vision, under the ACA?

No, only medical insurance is required. Employers usually offer benefits like dental and vision separately from medical coverage, but you're not required to buy these plans.

Q6. Does my medical coverage through Veterans Affairs comply with the individual mandate?

You should contact Veterans Affairs to find out if your plan is ACA compliant.

Q7. Do I have to buy coverage through my employer to avoid the individual mandate penalty if I'm covered under my spouse's plan?

No, as long as your coverage through your spouse meets ACA requirements. All that's required is that you have medical coverage. It doesn't have to be through your employer.

Health Insurance Marketplace

Q8. What is a health insurance marketplace (exchange)?

A health insurance marketplace is an online public shopping site where individuals, families, and small business owners can shop for plans. Each state will sponsor a marketplace that will offer affordable, quality medical insurance options. Some exchanges will be run by the states, others by the federal government.

The internet address for Covered California is <https://www.coveredca.com/>

Q9. What if I have coverage through my employer? Is the public marketplace for me?

Even if you have coverage available through your employer, you can still compare plans on the public marketplace. And if you lose or leave your job, you will have health insurance options through the public marketplace in addition to COBRA continuation coverage rights you may have through your employer.

Q10. Is it true I can get help paying for insurance through the health insurance marketplace?

Some people will qualify for subsidies to help them buy medical insurance through the marketplace.

- If you and your dependents are eligible for a plan from your employer that meets ACA requirements for affordable employee coverage and minimum value, none of you are eligible for a subsidy.
- If you choose any medical coverage from your employer — other than something like cancer or critical illness coverage — you will not be eligible for the subsidy.
- If you don't have an affordable, minimum value coverage option available through your employer or any other source, you may be eligible for a subsidy if:
 - Your household income falls between 100% and 400% of the federal poverty level, and
 - You are not eligible for Medicaid.

Q11. Will I be forced to automatically enroll in medical coverage at work?

Not for 2014. At some point, the ACA will require that employers automatically enroll employees in a health plan at work — and then give employees the opportunity to opt out. This may happen in 2015, but the timing is not clear.

Q12. How much will I pay for medical coverage if I get it through the health insurance marketplace?

The cost you pay for coverage through the marketplace will be based on different factors, including your family size, your age(s), your household income, and the plan benefits you want.

Q13. Can my employer charge whatever it wants for medical coverage?

Yes. However, for a plan to be considered “affordable” under the ACA, your cost to buy employee-only (individual) coverage can't be more than 9.5% of your household income. Your employer has different ways to meet that rule, as it won't know what your household income is. If individual coverage is affordable, ACA deems family coverage affordable too — there are no separate measures for family coverage cost.

Q14. What if I think the medical coverage my employer offers is too expensive?

You could look for a more affordable plan option through your state's health insurance marketplace. If your employer's plan doesn't meet ACA affordability requirements, you may qualify for a subsidy through the marketplace.

Medicaid and Medicare

Q15. How does the ACA affect Medicare?

Medicare is the federal health insurance program for people age 65 or older, certain younger individuals with disabilities, and people with end-stage renal disease. The ACA applies to Medicare the same way it does to other plans. For example, you'll be allowed to choose your health care providers and get free annual preventive screenings. The Medicare "doughnut hole," which is a gap in prescription drug coverage, will be closed by 2020 as a result of the ACA. Finally, the ACA addresses fraud and waste in Medicare. I have retiree health coverage through a former employer. What happens to my coverage under the ACA? You should contact your medical plan administrator to see how the ACA might affect your plan. Most provisions in the ACA don't apply to retiree plans. You still might want to check your options on the health insurance marketplace to decide what is best for you.

Q16. How does the ACA affect Medicaid?

Medicaid is the state-federal insurance program for the poor and disabled. Beginning January 1, 2014, states can expand their Medicaid programs to cover most individuals and families earning less than 138% of the Federal poverty level. In 2013, this amount is \$15,282 for an individual and \$20,628 for a couple.

Q17. If I'm covered under Medicaid or Medicare, do I have to switch to a different plan beginning January 1 to comply with the new law?

No. If you are covered by Medicaid or Medicare, you don't need other insurance.