



## 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 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.

**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 15<sup>th</sup> 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 should address questions regarding specific issues.*