

How Does the Affordable Care Act Affect NYSUT Members in 2014 and Beyond?

**Health Benefits
NYSUT Program Services**

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Some NYSUT members have inquired how the Affordable Care Act (ACA) will affect them in the future. The answer is complex and varies depending on the individual's current access to health insurance, income, family status, medical needs and collective bargaining agreement. Here is a Q & A to answer some common questions.

In October, 2013 employers had to notify all workers concerning the new on-line Marketplace also known as a health exchange. What do NYSUT members need to do?

Most NYSUT members have negotiated comprehensive, affordable health insurance through their job, so those members do not have to do anything. This notice is just informational.

What about NYSUT members who are not eligible for health insurance coverage through their job?

Some NYSUT members who are part-time, seasonal or temporary employees and not eligible for employer sponsored coverage may wish to explore coverage options on the Marketplace. Those who pay an unaffordable premium for coverage through their job may also benefit.

What is the Marketplace?

It is an on-line tool to assist individuals in shopping for health insurance coverage – just as many people shop online for an airline ticket or hotel. A variety of private health insurance plans are offered designed to cover 90%, 80%, 70% or 60% of covered services. These products are known as the “metal plans”: platinum, gold, silver and bronze. Unlike some states where the federal government operates the Marketplaces, New York elected to run its own called “NY State of Health.”

Who can benefit from coverage on the Marketplace?

Primarily NYSUT members without health insurance may benefit from the Marketplace. There are no pre-existing condition exclusions. Access to programs like Child Health Plus, Medicaid and replacement products for Healthy NY and Family Health Plus will be offered through the Marketplace.

Are there subsidies for people covered by the Marketplace plans?

Those with projected household incomes of less than 400% of the federal poverty level (\$45, 960 individual or \$94,200 family of four in 2013) will be eligible for federal tax subsidies on a sliding scale. There are no tax subsidies if the employer's plan covers at least 60% of allowed medical expenses and if the NYSUT member's premium for single coverage for the lowest cost plan is less than 9.5% of household income. However, even if a person is not eligible for a tax subsidy, they can still enroll through the Marketplace, but pay 100% of the health insurance premium.

If an employer offers coverage, can NYSUT members get a better deal on the Marketplace?

Probably not. The health insurance plans which NYSUT locals have negotiated usually have lower co-pays and deductibles than the most generous platinum plans. The NYSUT member would have to pay 100% of the premium themselves on a post-tax basis if the employer's plan meets the 60% minimum value and 9.5% affordability tests.

Can employers purchase coverage for their workers on the Marketplace?

There is a separate small business option called SHOP for those businesses with 2-50 workers. In 2016, employers up to 100 workers may be able to join.

Can retirees with Medicare benefit from the Marketplace?

No. Insurance plans for Medicare beneficiaries **are not** sold in the Marketplace. For information concerning plans for Medicare beneficiaries check www.Medicare.gov. Early retirees (not on Medicare) with no employer provided retiree health insurance may benefit.

Do people without health insurance in 2014 have to pay a tax penalty?

Yes, with a few exceptions. In 2014, the tax penalty is \$95 per adult per year or 1% of income whichever is greater. To reduce the number of uninsured, in 2014, adult children can be covered to age 26 under their parent's plan even if the adult child is offered health where he/she works. A new catastrophic plan for adults under 30 with low premiums will also be available as well as tax credits for those under 400% of the federal poverty level.

Do large employers (100 or more employees) have to offer coverage to employees?

Large employers, 100 or more employees, do not have to offer coverage to employees, but may be subject to a penalty in 2015, if they do not offer coverage to 70% of full-time employees. In 2016, to avoid a penalty, they must offer coverage to 95% of full-time employees. The employer responsibility penalties will be phased in for groups of 50-99 employees in 2016. Employers are only subject to a possible penalty if their full-time employees enroll in the Marketplace and receive federally subsidized coverage.

How do NYSUT members find out more about the Marketplace?

They can access <https://nystateofhealth.ny.gov/>. Navigators are certified, unbiased specialists to help people enroll. NYSUT Social Services, extension 6206 is available to help NYSUT members locate a Navigator. Beware of scams and lookalike websites. The official state websites can also be accessed through www.healthcare.gov.

What is the excise "Cadillac Tax?"

The ACA has a provision that in 2018 health plans will pay a 40% excise tax on amounts in excess of \$ 10,200 single/ \$27, 500 families. Although this provision is not effective for a number of years and revisions could be made, many employers are using it as well as other ACA taxes as a strategy to gain concessions at the bargaining table.

More information

For more information concerning the Affordable Care Act, NYSUT members may wish to view the seven minute animated video at <http://kff.org/health-reform/video/youtoons-obamacare-video/> and information at www.healthcare.gov. NYSUT members can contact their local leadership team with specific questions about their health plan. NYSUT Social Services, 1-800-342-9810, extension 6206 can also assist individual members to access Marketplace resources.