

Health Care Reform - Frequently Asked Questions

What is the Health Care Reform Law?

Health care reform, also known as the Affordable Care Act (ACA), Patient Protection and Affordable Care Act (PPACA) or “Obama Care,” refers to federal legislation signed into law in 2010.

The law’s goals are to expand the availability of affordable health care insurance coverage to most Americans and reduce the costs associated with persons being uninsured, reduce the overall costs of health care services and the rate of growth in those costs and ensure high quality health care outcomes for patients...“the right care, at the right time for the right cost”.

Since the law was signed by the President some parts of it have already begun. Examples include:

- Expanding insurance coverage for dependents up to age 26 on their parent’s policies
- Eliminating overall lifetime dollar limits for most insurance plans
- Adding 100% coverage for preventive care
- Expanding women’s preventive health care coverage
- Capping at \$2500 per year health care Flexible Spending Account (FSA) contributions
- Eliminating over-the-counter medications from the list of eligible FSA/HRA/HSA expenses
- Expanding drug coverage allowances for Medicare recipients
- Prohibiting extra charges for coverage or denying coverage to a person with a pre-existing health condition
- Prohibiting an eligible individual being dropped from coverage except in cases of fraud
- Expanding Medicaid eligibility in some states.

Also in 2010, California was one of the first States in the country to pass health care legislation to allow the State’s citizens to fully participate in these national reform efforts. Information specific to California can be found at the www.coveredca.com website for Covered CA, the host for the State-run Health Insurance Marketplace.

What’s the “Individual Mandate” and what do I need to know about it?

One of the most talked about provisions of the ACA goes into effect in January, 2014 and is known as the “individual mandate”. With some exceptions, the mandate requires most citizens to obtain health care coverage or pay a federal penalty for not having it. Exceptions to the requirement can be found at the www.HealthCare.gov site. **Individuals who are enrolled in coverage through their employer or a publically subsidized health care plan like Medicare, Children’s Health Insurance, military coverage or Medicaid do not need to do anything at this time to fulfill the individual mandate.**

How can I get coverage if my income is low, I can’t get coverage with my employer or the coverage is unaffordable?

Some persons who are not eligible for their employer’s health care coverage, or for whom that coverage is not affordable, or who do not have employer offered coverage, may qualify for a federal tax credit or subsidy to help purchase coverage through public Health Insurance Marketplaces, one in each state. These Marketplaces are a new kind of virtual insurance agency where consumers can compare plans and possibly qualify for income-based subsidies. To receive the credit or subsidy, individuals must not be eligible for other public coverage (like Medicare), must not have access to “affordable” health insurance through an employer and must have an income that falls within specified guidelines in the law.

The federal government hosts an interactive website www.HealthCare.gov that explains in more detail the requirements for the “individual mandate” and the penalties for not purchasing insurance. It also has a calculator that allows users to determine whether or not they might be eligible for the tax credits or federal subsidies to help them purchase health care insurance coverage. The State’s Covered CA Health Insurance Marketplace website www.coveredca.com also offers a calculator and explains the various options California consumers have available to purchase affordable health care coverage using the State Marketplace.

If I don’t enroll in health care coverage, when and how will I be charged and pay the federal penalty?

The penalty begins in 2014 and is payable when 2014 federal tax returns are filed in 2015. In 2014, the penalty will be the greater of \$95 per adult or 1% of the household’s total income. The penalty for children is half the adult amount and there is an overall cap on family payments. All penalty amounts will increase in future years. The federal websites www.HealthCare.gov and www.irs.gov/uac/Affordable-Care-Tax-Provisions have more information about the penalty.

How does the ACA define “affordable”?

The ACA provides both specific definitions of “affordable” and detailed calculations to help employers and individuals determine “affordability” of insurance coverage options. Because Contra Costa County already offers health insurance coverage that is designed to meet the ACA’s “affordability” requirements as specified in the law, most employees who are eligible to enroll in a county plan will not qualify for a federal credit or subsidy. However, because individual situations and household incomes vary, employees may want to use the CoveredCA calculator to review their options, based on family size and total household income, defined at the www.irs.gov/uac/Affordable-Care-Tax-Provisions website.

When will the public Health Insurance Marketplaces start enrolling people in health care plans?

The enrollment period for 2014 is from October 1, 2013, through March 31, 2014. Consumers can use the website www.coveredca.com to learn about and get an “apples to apples” comparison of the California-specific health plans that are available for purchase and find out if they might be eligible for assistance to pay for their premiums. Applications for coverage may be made on line and coverage can begin as soon as January 1, 2014.

Are employers required to offer health care coverage to their employees in 2014?

No. This ACA rule has been delayed by one year. When this portion of the law goes into effect in 2015, large employers will be required to offer, but not required to pay for, affordable health care coverage for full time employees and their dependents or pay a “shared responsibility” fee to the federal government. (Large employers are defined in the law as companies and businesses, including state and local governments, who employ the equivalent of 50 or more full time employees and full time employees are defined as an employee working 30 hours per week or more.)

Since I’m an employee of Contra Costa County, will I still have health care coverage available through Contra Costa County?

Yes. Contra Costa County will offer eligible employees access to health care coverage for themselves and their dependents, as outlined in each MOU. Employees should consult the MOU that governs their union or the current management resolution for the terms and conditions specific to insurance options and their situation.

Do I have to purchase my health care coverage through Contra Costa County?

No. If you don’t purchase coverage through the County, you may choose to be covered under a partner or spouse’s plan, choose coverage through a State or Federal-run Health Insurance Marketplace like Covered CA, or buy an approved health coverage policy through the private insurance market. Choosing any of these options or being covered by another publicly funded plan like Medicare can meet the requirements for the individual mandate.

Can I use a government subsidy to help pay for my County-provided coverage?

No. Individuals who qualify for a government credit or subsidy based on their income can only use the subsidy to purchase coverage through a state or federal Health Insurance Marketplace like Covered CA.

Will the ACA change the types of services or benefits that will be covered under the County’s health care insurance plans?

No. Contra Costa County’s health care plans and insurance coverage options already meet or exceed the requirements for employer-offered plans, as spelled out in the ACA and will continue to cover a broad range of services. Therefore, ACA guidelines do not reduce or significantly expand the scope of services or benefits covered in the plans that are offered to eligible county employees.

Will the ACA change how I choose health care coverage for myself and my family?

If you’re eligible for and choose to enroll in Contra Costa County’s benefits, the enrollment process will remain generally the same; enrollment begins in October, 2013. If you’re not eligible for County provided coverage, you can research health care benefit options through one of the new Health Insurance Marketplaces, like Covered CA. www.coveredca.com

What do I have to do now?

Obtain coverage through Contra Costa County or elsewhere for 2014, if you want to avoid paying the individual mandate penalty to the federal government. Read the health care enrollment materials you receive from the County in October, 2013 and if you have questions or need assistance call Contra Costa County Benefits Department at 925-335-1746.