



IN THE KNOW

Healthcare Reform and You



What YOU need to know for January 1, 2014...

As an individual under the various legislations of the Patient Protection and Affordability Act (PPACA), there are several components of Healthcare Reform that apply to you and your medical insurance.

To help you navigate the road ahead, Pace University has highlighted key changes you should be aware of.

YOU and the Individual Mandate

As of January 1, 2014, as an individual you are required to have minimum essential coverage. This requirement applies with very few exceptions (i.e., certain religious groups, incarcerated individuals, etc.) If you and your dependents neglect to obtain such coverage, you will incur a penalty for each month coverage is not in place. In addition to being able to elect coverage through an employer, you will have the opportunity to purchase coverage through a public exchange or "Marketplace."

YOU and the Exchange / Marketplace

The Marketplace is designed to make buying health insurance easier and more

affordable for the individual. Similar to online shops where you would log-on to purchase car insurance, the Marketplace will assist you in comparing and purchasing insurance that meets the needs of you and your eligible dependents. Open Enrollment for the Marketplace will begin in October 2013 for a January 1, 2014 effective date.

YOU and the Uninsured Penalty

Should you choose to go without Minimum Essential Coverage / health insurance in 2014, a penalty will be assessed. For 2014, all uninsured individuals will be required to pay the greater of \$95 or 1% of their household income. Though nominal in 2014, the penalty will increase exponentially over the next two years.

YOU and the Federal Subsidy

Depending upon the affordability of available coverage, your family size and household income, you may be eligible for a government subsidy to assist in paying for health insurance in the Marketplace.

As a rough estimate, you may qualify for a credit or subsidy when buying from a

public Marketplace if you are an individual making less than ~\$46,000 (or a family of three making less than ~\$78,000), and if you do not have access to affordable coverage through your employer.

YOU and the "Delay until 2015"

On July 2nd, 2013, the Obama administration announced a delay in the Employer Mandate ("Employer Shared Responsibility") portion of PPACA. This delay applies ONLY to regulations applied to employers and does not alter or delay any requirements of the individual come 2014.

As such, at the individual level, the delay of the Employer Shared Responsibility has no effect.



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PPACA BUZZWORDS

Individual Mandate

As of January 1, 2014, all U.S. citizens and legal residents are required to have health insurance.

Minimum Essential Coverage

Basic level of coverage required by an individual in order to avoid paying a penalty. Includes employer sponsored plans individual policies, Medicare, Medicaid, CHIP or TRICARE, or coverage purchased through the Marketplaces.

Exchange / Marketplace

Online shops where individuals can go to purchase health insurance. Public (federal and state) and private Marketplaces will exist.

Affordable Coverage

Under PPACA, the cost of single coverage for the lowest-cost employer sponsored health plan is not affordable if it exceeds 9.5% of an employee's annual salary.

Federal Subsidy

Or Premium Assistance Credit. Federal aid, for those who qualify, to assist in the payment for health insurance in the Marketplace.

What now? What's next?

1. Please review the information provided to you regarding the Marketplace and how / when you can enroll.
2. Pace University is committed to continuing to provide our employees with a high quality medical plan and keeping you informed as we enter a new era in health care benefits.
3. For more information on Healthcare Reform and the effects PPACA could potentially have on you and your family, please visit www.healthcare.gov.

