

City of Seattle

Health Care Reform FAQs – September 4, 2013

I keep hearing about health care reform, but nothing seems to be happening. Is anything really changing? Isn't everything being delayed?

There continues to be real changes despite some delays. Health care reform is called a lot of different names: Patient Protection and Affordable Care Act of 2010 (PPACA or ACA); “Obamacare”; and National Health Reform. You’re probably hearing bits and pieces of information as different aspects are clarified, so it may be confusing or sound like not much is really happening. The most important things for you to remember are:

- The law is in place and it’s definitely happening.
- The “individual mandate” has NOT been delayed. All individuals MUST have medical insurance on January 1, 2014, or they’ll be charged a penalty. (For 2014, the penalty is \$95 per individual per year or 1% of your taxable income, whichever is higher.)
- Insurance companies will HAVE to accept anyone who applies for medical coverage.
- The “employer mandate”, which requires employers to offer medical coverage to all employees who work 30 or more hours a week, was delayed until January 1, 2015. The City will continue to offer coverage to all employees and family members who meet current eligibility rules through 2014, and is planning to modify those rules as required for 2015.

Do I need to do anything right now?

The most important thing for you to do is make sure that you and your family members have medical insurance on January 1, 2014.

- You are receiving this notice because you already have access to City medical coverage. If you have waived your coverage under a City medical plan, be sure you can continue coverage through your spouse’s medical plan. Or, you can re-enroll yourself and any other eligible family members in a City plan during Open Enrollment, which runs from October 7 through October 31, 2013. The change will take effect on January 1, 2014.
- Review the medical coverage options available to your family members. Spouses and children under age 26 are eligible for coverage on your City plan. If you need to make changes to your City coverage on their behalf, be sure to do so during Open Enrollment in October. The change will take effect on January 1, 2014.
- If your children aren’t eligible for City or other employer coverage, have them explore health insurance exchanges; see the enclosed flyer for more information.
- If you know people who don’t have medical coverage, please share the flyer about health insurance exchanges with them.

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What does the “New Health Insurance Marketplace Coverage Options and Your Health Coverage” notice mean to me?

The City is required by law to send you information about *health insurance exchanges*, so you are aware of all potential options. Almost all City employees have access to a medical plan that meets the “affordable, minimum-value test” required under federal health care reform. As a result:

- Buying medical coverage through an exchange will not be financially beneficial to you.
- On average, medical benefits provided in plans offered through an exchange will be less comprehensive and cost significantly more to you.
- The City will NOT contribute toward purchases made through an insurance exchange.
- And because coverage meets federal health care reform requirements, the federal tax credits will NOT be available to City employees who could enroll in a City plan.

Why isn't the City participating in health insurance exchanges in 2014?

The City continues to review and examine all the requirements and options of health care reform. As health insurance exchanges are new and not yet fully-developed in our state, we cannot offer coverage to City employees through them. Any future changes will only be made after careful financial and legal evaluation, discussion with City unions, and clear communication to employees.

You said the City meets federal health care reform requirements. If this is true, why don't City medical plans cover 100% of the services required by health care reform?

Health care reform requires that all NEW plans include coverage of a variety of women's health and preventive care services at 100%. These requirements do not apply to the City plans, because they are not considered to be new plans. Rather, they are “grand-fathered” plans. We anticipate that many of these services will be covered further in the future, after careful financial and legal evaluation, discussion with City unions, and clear communication to employees.