

Health Care Reform

Frequently Asked Questions (FAQs)

What is a health insurance marketplace or exchange?

A marketplace, or exchange, is a website where you can shop for health insurance. You can compare all of your options and costs side by side and see if you qualify for financial help. All the plans offered in a marketplace, or exchange, must meet certain rules relating to affordability, required benefits, and market standards.

What can I do through a health insurance exchange?

You will be able to:

- Shop for health insurance offered by well-known insurance companies.
- Choose from health plans grouped by metallic levels: Bronze, Silver, Gold, and Platinum. The different plans will offer you choices in:
 - How much you will pay for coverage (premium amounts)
 - How much you will pay out of your own pocket for medical care and prescription drugs (deductibles, coinsurance, copays, and out-of-pocket maximums)
 - Networks of participating doctors, hospitals, labs, and other health care providers
- Complete an application to find out if you qualify for financial help.
- Enroll in health insurance that is right for you or your family. The federal and state health insurance marketplaces will begin enrollment in October 2013 for coverage starting January 1, 2014.

What kinds of coverage will be available through the marketplace?

All the plans in the marketplace must cover at least these “essential health benefits.” They include:

- Ambulatory, or “outpatient,” care
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and “habilitative” services and devices, such as physical therapy
- Laboratory services
- Preventive care services
- Pediatric services, including vision and eye care for children

Your costs—both how much you will pay for coverage and how much you will pay when you receive medical care—depends on the plan you choose.

Keep in mind though, that **all** the plans in the exchange cover preventive care services at no cost to you. This means that you will not pay anything for these services as long as you get them from a doctor, lab, or other provider that is part of your health plan's network.

What is the employer mandate?

All employers with 50 or more employees will be required to offer health insurance to full-time employees or pay a penalty. That does not mean you will be required to buy health insurance through your employer—it just means it must be available to you if you are a full-time employee.

What is the individual mandate?

Starting January 1, 2014, you *must* have health insurance, or you will pay a penalty of \$95 per adult when you file your 2014 taxes.* That may not sound like a lot of money, but it goes up to \$325 per adult in 2015, then to \$695 per adult in 2016. For 2014, the penalty is \$95 per adult and \$47.50 per child (up to \$285 per family), or 1% of your family income, whichever is more.

How will I prove I have health insurance?

You will get a certificate from your insurance company that says you have the minimum coverage. In 2014, you will have to submit a form with your federal tax return proving you have insurance.

How will prescription drugs be covered?

When you buy health insurance through a marketplace, you also get prescription drug coverage. Your prescription drug coverage is provided by your medical insurance company with help from a pharmacy benefit manager. Each company has its own rules about how drugs are covered.

Can I get help paying for health insurance?

If you are going to buy insurance through a state or federal health insurance exchange, financial help may be available in the form of tax credits from the federal government.

What if I have health insurance options through my employer?

You will have the option to get insurance through your employer *or* a health insurance exchange. The choice is yours. Before you choose a plan, think about your health care needs. Do you see the doctor fairly often and take one or more prescription drugs for an ongoing condition, such as high blood pressure or diabetes? Or do you only see the doctor once or twice a year for checkups and the occasional illness?

The answers to these questions can help you decide which option presents the best coverage and value for you and your family.

Review **all** the options that are available to you. Depending on your situation, you may also be eligible for coverage through Medicare or Medicaid. Or your children may be eligible for coverage through the

Children's Health Insurance Program (CHIP) in your state. If, after reviewing all your options, you decide to buy coverage through an exchange, you may qualify for financial help if your income is low or modest.

However, **you will not qualify for financial help** if you choose to buy insurance through an exchange and your employer offers you coverage that is:

- Considered "affordable" (how much you pay for coverage is less than 9.5% of your income); and
- Meets coverage standards as required by law.

The Pepperdine University employee group health plan meets the government standards for providing minimum, affordable coverage. If you buy insurance in the Marketplace, you will **not** receive a contribution from the University or qualify for a subsidy from the federal government.

What if I am interested in Marketplace coverage or have questions?

- Go to www.HealthCare.gov to review the plans available in your state.
- Call 1-800-318-2596 (TTY: 1-855-889-4325) or visit www.HealthCare.gov.