One of the hottest topics in the news today is health care reform. But if you’re like many Americans, you just want to know how health care reform impacts you and your family. So, here are some basic facts to consider!

Health care is the law!

On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act into law. Popular terms for the legislation are “Obamacare” or the Affordable Care Act (ACA). It is by far the most comprehensive health care legislation since Medicare and Medicaid. According to the Department of Health and Human Services, the ACA attempts to:

- Improve the quality and affordability of health insurance for all Americans, particularly among populations where there are major health disparities
- Lower the rate of insurance for the uninsured by expanding public and private insurance coverage
- Reduce the cost of healthcare for individuals and government
- Strengthen preventive care
- Promote the use of health information technology

On June 28, 2012, the United States Supreme Court upheld the constitutionality of the law, with the exception that states cannot be forced to participate in the expansion of Medicaid for disabled and poor people under the penalty of losing current Medicaid funding. Alabama is one of the states that opted not to expand Medicaid services under the ACA.

Will I need health insurance?

Most Americans are required to have health insurance by 2014 or run the risk of being penalized. Either you will be covered by your employer, obtain health care at your own expense, or be provided health care through Medicare, Medicaid, Children’s Health Insurance Program (CHIP), TRICARE (military health care system), or another qualifying plan. However, you are exempt from the health care requirement if you meet the following criteria:

- You have to pay more than 8% of your income for health insurance
- If your income is below the threshold required for filing taxes (check tax tables)
- If you would have qualified for Medicaid under the ACA; however, your state, like the state of Alabama, did not expand Medicaid services under the ACA
- If health care conflicts with religious beliefs
- You are a member of an Indian Tribe, an undocumented immigrant, or incarcerated

If you do not obtain health care insurance, then you will have to pay a penalty or a fee as part of your federal income taxes. The annual penalty is not expected to exceed the national average cost of a Bronze health insurance plan that is offered through Health Insurance Marketplaces. The penalty rate will start at $95 for adults (up to $285 for families) or 1% of your total income in 2014, whichever amount is greater, then climb to $695 or
2.5% of income by the year 2016. The fee for children is half the amount of adults. Families have a maximum penalty of $2,085. Waivers may apply if you meet exempt criteria (HealthCare.gov, 2013).

What is a Health Insurance Marketplace?
Health Insurance Marketplaces or Exchanges are online enrollment websites that have been established solely to offer federally-approved health insurance plans that fit your budget and health coverage needs. States had the option of setting up their own Exchanges or allowing the federal government to do so as with the state of Alabama. You can obtain health insurance through a Marketplace if you live in the United States (US), are a US citizen or national, and are not incarcerated. You are not required to get health care if you are a US citizen living in another country.

Remember, health care enrollment through Health Insurance Marketplaces began on October 1, 2013, but ends on March 31, 2014. Therefore, you only have a short window to obtain health care through a Marketplace unless special enrollment options become available.

Where can I get health insurance?
If you are not being offered health care through your employer or another qualifying plan, then in the state of Alabama, you may seek to obtain health care through a Health Insurance Marketplace. The Health Insurance Marketplace offered at HealthCare.gov will allow you to apply for coverage, to compare plans, and to enroll in a health care plan. Specific plans and prices became available on October 1, 2013, and health care coverage could start as early as January 1, 2014.

In Alabama, there are two insurance carriers that offer individual health plans through the Health Insurance Marketplace at HealthCare.gov: Blue Cross and Blue Shield of Alabama (1-877-527-8009/ALBlueCross.com) and the Humana Insurance Company (1-800-833-6917/www.humana.com). You are considered covered if you have Medicare, Medicaid, CHIP, health coverage from your job, a health plan you purchased yourself, coverage under the Consolidated Omnibus Budget Reconciliation Act better known as COBRA, retiree coverage, TRICARE, health coverage from the Veterans Administration, or another plan approved by the federal government (HealthCare.gov, 2013).

There are four ways to apply for health care in Alabama through the Health Insurance Marketplace at HealthCare.gov: paper application, online, by phone, or in person with a certified assistant.

- **Paper application:** You can complete a paper application and mail it in. Afterwards, you will receive an eligibility notice. At that point you can go online to choose a plan that fits your budget or contact the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325) to enroll. If you are eligible for Medicaid or CHIP, then a representative will contact you to enroll. An enrollment form can be downloaded at HealthCare.gov.

- **Online:** If you decide to enroll online, then you can go to HealthCare.gov and set up an account. Like any online account, you will need to choose a user name, password, and security question(s). The application can be completed online. **Note:** If your household files more than one tax return, you are advised to call the Marketplace Call Center before you apply.

Be sure to compare health care options. There are essentially five health care plans to consider: Catastrophic, Bronze, Silver, Gold, and Platinum. If you are relatively healthy, you may opt for the Bronze plan. Just remember, the health care plan you select will impact the cost of your premium and out-of-pocket expenses like hospital visits or prescriptions. The higher the premium costs, the less you will have to pay in out-of-pocket fees. Premiums are set by the insurance company and must be paid before coverage begins.

- **Phone:** Call 1-800-318-2596 (TTY: 1-855-889-4325) to apply at any time or day of the week. A customer service representative will work with you to complete the enrollment process.
• **In person:** There are certified individuals in all states that can help you to understand your health insurance options and help you to enroll in a plan. These individuals are called “navigators, application assisters, and certified application counselors.” Or you can contact government agencies such as CHIP or Medicaid. Insurance agents or brokers can also help you to enroll in a plan. Call 1-800-318-2596 or visit the website LocalHelp.Healthcare.gov to find agencies or people in your community to assist you.

You will need to collect the following documents to ensure a smooth enrollment process.

- Social Security numbers for you and/or your family
- Document numbers for eligible immigrants who want coverage
- Birthdates
- Pay stub, W-2 forms, or other income information
- Policy or member numbers for any current health coverage
- Employment health coverage information for you and/or your family members

**How does the ACA impact businesses?**
Presently, some employers do not have to offer health insurance. However, in 2015, the Affordable Care Act will require certain employers with at least 50 full-time employees or equivalent employees to offer health insurance coverage to full-time employees and dependents that meet the minimum standards or to make a tax payment called the Employee Shared Responsibility Payment. For additional information, visit www.irs.gov/uac.

Also, by 2015, small businesses with 50 employees or less have the option of joining the Small Business Health Options Program (SHOP). Through SHOP, employers can control the coverage they offer employees and they have the option of offering a plan that is more suitable to their business. If employers obtain a health plan for their employees through Shop, then they may also qualify for a tax credit up to 50% of your premium cost. In some instances, small businesses may be paying 18% more than larger companies, but SHOP will help to level the playing field. In 2016, employers with up to 100 employees will be able to participate in SHOP.

Employers with 50 or more employees are classified as large businesses under the ACA. As of October 1, 2013, these businesses should have notified employees or any new hires regardless of full-time or part-time status about a Health Insurance Marketplace and that they may be eligible for a premium tax credit if health coverage is purchased through the Marketplace. However, they may lose employer contribution and other stipulations may apply. Visit sba.gov/healthcare# for further details on how the ACA will impact your business and employees.

If you are self-employed, you are not considered an employer and are therefore required to visit a Health Insurance Marketplace for approved insurance options that began on October 1, 2013.

**Conclusion**
The Patient Protection and Affordable Care Act is a federal mandate and all Americans are required to obtain health care in 2014 either through an employer, Medicare, Medicaid, Children’s Health Insurance Program, TRICARE, or another federal government-approved health plan unless you fall into an exempt category. At least 65% of Americans will obtain health care through their employers. However, if you are one of the Americans that must find health insurance on your own, then you are encouraged to visit http://finder.healthcare.gov/. This site will walk you through the process step-by-step and ensure that you find a suitable health care plan for you and/or your family. As a consumer, you owe it to yourself and your family to learn more about the Affordable Care Act.
References


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For more information, call your county Extension office. Look in your telephone directory under your county’s name to find the number.

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