



What You Need to Know

Q: How does health care reform affect me?

A: The Affordable Care Act—often just called health care reform or “Obamacare”—has been in place for several years. Health care reform has already caused some changes to your medical plan benefits, such as free preventive care, no lifetime dollar-amount benefit limits, and additional reporting on Form W-2 showing the value of health plan coverage. Even bigger changes will go into effect soon, such as the opening of the health insurance exchanges and the requirement that most Americans have health insurance starting January 1, 2014.

Q: Does health care reform mean that I’ll get free health insurance?

A: No. The health care reform law says everyone must have coverage, but it does not provide free health insurance. You’ll have different options for getting health insurance, such as an employer plan, a private insurance policy, or a plan offered through the health care exchanges (also known as “marketplaces”)—but most people will have to pay something for their coverage. Financial assistance may be available, but that only is available for certain lower-income individuals and their families who qualify on the insurance exchanges and whose employer does not offer a health plan that complies with the law.

Q: Will I be able to stay on Saint Mary’s College medical plan?

A: If you meet these requirements then you will be able to stay on Saint Mary’s College medical plan:
FT Benefits: Staff employees who work a minimum of 1,560 hours per year (80% of full time non-exempt and 75% for exempt) and faculty teaching 6 or more courses per academic year.
Pro-rated Benefits: Staff employees who work between 1,040 and 1,559 hours per year and adjunct faculty teaching 5 courses per academic year.

Saint Mary’s College will continue to offer medical coverage for you and your family. Our medical plans meet all the standards required by health care reform—in fact, our coverage is more generous than what the law requires in many respects.

Q: What if I only work part time?

A: If you work/teach less than the requirements above, you will not be eligible for coverage under Saint Mary’s College medical plan. Federal law says that Saint Mary’s College must measure the hours you work to determine whether you might become eligible for health plan coverage in the future. The College is currently developing internal mechanisms to track the hours of variable hourly workers and will be implementing and communicating this process by the required implementation date of January 1, 2015.

If you are a new hire and have not met your 30 day eligibility waiting period, or you do not work enough hours or teach enough courses to qualify for the company plan, you can buy your health insurance directly from an insurance company/broker or through the new state-based insurance marketplaces called “exchanges” starting January 1, 2014. Open enrollment season for the state exchanges are set to begin on October 1, 2013.

Q: What are the exchanges?

A: The exchanges—also known as the Health Insurance Marketplace—are a new way to shop online for health insurance. They are designed to let you compare the benefits and costs of all available medical plan options so that you can find coverage that meets your needs and fits your budget. You will be able to make side-by-

side comparisons of your options and use an online calculator to find the best buy. You may compare the Saint Mary's College health plan to these options, and you likely will find our program provides strong benefits at a competitive price—especially when you take into account the convenience and tax savings you get with payroll deductions.

Open enrollment through the exchanges is set to begin on October 1, and new coverage takes effect in January. To learn about the health insurance options available in your state, go to at www.healthcare.gov or <https://www.cuidadodesalud.gov/es/> (Spanish). In California, the exchange is called “Covered California” (www.coveredca.com).

Q: What if I can't afford health insurance?

A: Depending on your income, various kinds of financial assistance are available to help you pay for your premiums.

If you earn between \$11,490 and \$43,320 (for an individual)—or, for example, between \$23,550 and \$88,200 (for a family of four)—and don't have coverage from your employer, you may qualify for an up-front discount, in the form of a tax credit, when you buy your coverage on the exchange. You might also qualify for federal assistance to help with your out-of-pocket expenses, such as deductibles and copays.

If you earn less than \$15,281 (for an individual) or \$31,321 (for example, for a family of four), you might qualify for Medicaid in 2014—but only if your state decides to go along with the federal expansion of the program and uses a more generous definition of eligibility than is sometimes available.

To get an estimate of your health insurance costs and the discount you might have coming to you, use the Kaiser Family Foundation's online calculator at <http://kff.org/interactive/subsidy-calculator/>.

Q: Will I be required to have health insurance?

A: As of January 1, 2014, everyone who can afford coverage (as determined by federal affordability standards) will be required to purchase health insurance or pay a penalty. This rule is called the “individual mandate.”

Q: How much is the penalty for not having insurance?

A: For an individual, the penalty will be \$95 a year or 1% of your income in 2014, whichever is greater. For a family, the penalty in 2014 will be capped at the higher of \$285 a year or 1% of household income. The Internal Revenue Service will collect the penalty through tax returns. Starting in 2014, federal returns will include a new form to list your source of health insurance.

You will be exempt from the penalty if you would have to spend more than 8% of your household income on the cheapest qualifying health insurance plan, even after tax credits and subsidies.

Q: What's a better deal for me, the company plan or the exchange?

A: Saint Mary's College cannot assist you in evaluating your options for coverage, but you can find more information to help you make your decision at www.healthcare.gov or <https://www.cuidadodesalud.gov/es/> (Spanish); starting October 1, you can also call (800) 318-2596. Please keep in mind that if you are eligible for the Saint Mary's College health plan and you decide to purchase insurance through the exchange instead, you will not be eligible for a tax credit. Also, when you enroll in the company health plan, Saint Mary's College pays a portion of your premium, and you pay your share with tax-free money—which could make the Saint Mary's College plan less expensive for you overall.

We are sharing information with you about what is currently known or discussed about health care reform. We cannot guarantee its accuracy, or that there won't be future changes, and many other factors can affect you and your options under the law. If you need to rely on any information about this law, we suggest you speak to your own personal tax or financial advisor.