

A PPACA Guide for Employees

A diverse group of smiling business professionals in an office setting. The group includes men and women of various ethnicities and ages, all dressed in professional attire like blouses, jackets, and suits. They are arranged in a cluster, looking towards the camera with friendly expressions. The background is slightly blurred, focusing attention on the individuals in the foreground.

Understanding the Patient
Protection and Affordable
Care Act (PPACA)

The Basics of PPACA



What's the difference between Health Care Reform, the Affordable Care Act, PPACA and Obamacare?

There is no difference. These are different names for the same law.

What is PPACA going to do in 2014?

One of the main goals of PPACA is to limit the number of Americans without health coverage. This is being done by:

- Requiring most Americans to have some type of health insurance, or pay a penalty, and
- Making it easier for individuals to obtain coverage, by:
 - Creating insurance “exchanges” or “marketplaces”
 - Making it easier for people who have medical problems to get insurance
 - Encouraging larger employers to provide coverage to all full-time employees (starting in 2015 or 2016)

What is the requirement to have health insurance?

Most Americans and other people legally in the U.S. must have “minimum essential” coverage, or they will have to pay a penalty with their federal income tax. You may hear this called the individual mandate.

What is “Minimum Essential Coverage”?

“Minimum essential coverage” is basic medical coverage. It can be provided by:

- An employer
- The government (Medicare, Medicaid, CHIP, TRICARE, VA, etc.)
- An individual policy (which can be purchased through or outside the Health Insurance Marketplace)

What happens if I don't have minimum essential coverage?

People who don't have the needed coverage will have to pay a penalty with their federal income tax return. For 2014, the penalty will be one percent of the person's household income (with a minimum penalty of \$95).

What if my family doesn't have coverage?

The penalty will apply to each adult in the household who does not have coverage. One-half of the penalty applies to dependent children under age 18 who don't have coverage. The maximum penalty per family is three times the individual penalty.

What if I can't afford coverage?

No penalty will apply if the cost of the least expensive health plan through your employer is more than eight percent of your household income. Other types of assistance, such as Medicaid, may be available to employees with low incomes.

What kinds of employer-provided coverage will meet the health coverage requirement?

Most employer-provided medical coverage will meet the requirement. This includes PPOs, HMOs, and high deductible health plans, whether they are insured or self-funded.

Grandfathered plans will meet the requirement. Plans that provide limited coverage, like dental only, vision only, hospital indemnity, accident only, certain diseases only, and plans with lifetime or annual dollar limits will not meet the requirement. You will receive a Summary of Benefits and Coverage with your open enrollment that tells you whether your plan provides minimum essential coverage.

You can be covered as an employee, spouse, retiree, or COBRA participant under the employer-provided coverage. It does not matter what kind of employer it is - private/for profit companies, state and local governments (including schools), churches and non-profit organizations all qualify.

Do my spouse and children have to be covered under the same plan or policy that covers me?

No, you may be covered under different plans or policies.

What if I only have coverage for part of the year?

You will not owe a penalty if you go without coverage for less than three consecutive months during the year. (If you have coverage for even one day in a month, that will count as coverage for that month.) In 2014, in some situations people will not owe a penalty if they are without coverage for more than three months.



