

Health Care Reform

Frequently Asked Questions

June 2013

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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'll 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'll pay for coverage (premium amounts)
 - How much you'll 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's 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 the same health care services. These services are called "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'll pay for coverage and how much you'll pay when you get 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 won't 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 doesn't mean you *have* to buy health insurance through your employer—it just means it must be available to you if you're a full-time employee.

What is the individual mandate?

Starting January 1, 2014, you *must* have health insurance, or you'll 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'll get a certificate from your insurance company that says you have the minimum coverage. In 2014, you'll 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.

If you or a family member takes medication, call the medical insurance companies available through your state or federal marketplace *before* you enroll to find out how they will handle your prescription drug(s). By doing homework *before* you enroll, you can choose an insurer knowing it will cover your prescription drugs in a way that is acceptable to you.

Here are some questions to ask:

- **Will I have a *combined* annual deductible?** If yes, you'll have to pay the **full cost** of your medical and drug expenses until the deductible—the amount you pay before you and the insurance company start sharing costs—is met.
- **Is my drug on the formulary?** Insurance carriers have a list of preferred drugs, or "formulary." If an insurance carrier considers your drug non-preferred, make sure you're comfortable with the cost, or the alternative medication and its cost.

- **Will I have a step therapy program?** If yes, you'll need to try using a generic alternative before your drug will be covered.
- **Will generic drugs be mandatory?** Because many brand-name drugs are expensive, some insurance carriers don't cover them *at all* if a generic is available.

Note: Even if generic drugs *aren't* mandatory, they're an easy way to save money. Generic drugs meet the same FDA standards as brand-name drugs but cost much less. Ask your doctor if a generic drug is right for you.

- **Will there be quantity limits?** Certain drugs have quantity limits to reduce costs and encourage proper use. Ask if a limit applies to your drug(s).
- **Will prior authorization be required?** If yes, the insurance carrier will need more information before deciding whether to cover your drug. Ask the carrier what you need to do to get it approved.
- **Will pharmacies be easy to access?** Each insurance carrier has a network of participating pharmacies. Check your medical insurance carrier's directory to find an in-network pharmacy close to you.

Can I get help paying for health insurance?

If you're going to buy insurance through a state or federal health insurance exchange, financial help may be available.

What if I have health insurance options through my employer?

You'll 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.

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