

The Affordable Care Act – for Child Care Employees

A Basic Question and Answer Overview

Child care workers often do not have health insurance from any source. Many child care centers cannot afford to offer health insurance for their employees. And many child care teachers cannot afford to buy health insurance on their own. Below are some questions often asked by child care employees about the new national health insurance initiative. The answers to these questions will provide a basic overview to help inform child care employees.

What is the Affordable Care Act?

The Affordable Care Act (sometimes referred to as Obamacare) was designed to help protect the consumer and hold insurance companies accountable for their rates and actions. The intention was for every American, regardless of age, gender, income or preexisting condition to have access to quality, affordable health insurance. It was signed into law on March 23, 2010. Changes are being phased in over time.

What are some of the special protections or highlights of the Affordable Care Act?

Insurance companies can still charge varied rates depending on a person's age, but they are no longer allowed to charge different rates for women. You cannot be denied coverage due to a pre-existing condition. If you have dependent children, they can now stay on your policy until age 26.

What is the Marketplace (or Exchange)?

The federal government has set up a Health Insurance Marketplace (formerly referred to as the Health Insurance Exchange) to create one place for people and small businesses to shop for affordable health insurance options. With one application, you will find out if you are eligible for Medicaid, CHIP (for children) or Marketplace subsidies.

Open enrollment for these policies begins November 15, 2014 and coverage will begin as early as January 1, 2015. While open enrollment for 2014 coverage is closed, there are some qualifying life events that may make you eligible for a special enrollment period. You can enroll online, by mail, over the phone or in person. There are a number of physical locations with trained staff to help with the enrollment process. These specific community locations can be found at localhelp.healthcare.gov.

Is having health insurance required now?

Yes. As of January 1, 2014 almost everyone will be required to have health insurance, or be subject to a financial penalty. There are a few exceptions to this requirement. The penalty fee for 2014 is 1% of your income, or \$95 per person, whichever is higher. For having uninsured children, the fee is \$47.50 per child. These penalties increase each year through 2016. Every family without insurance should apply for insurance, generally through the Marketplace. Some individuals will be granted exceptions from insurance requirements, but documentation of that exemption will be provided at the time of application to the Marketplace and may be required to avoid fines at tax time.

I already have insurance through my employer. Do I need to do anything?

More than likely, you will just keep the insurance you have and changes won't be required. Your employer will know if this is the case. You should note that some employers may choose to purchase a policy through the SHOP Marketplace (A Marketplace option for small business), so it is possible your current policy may change.

If your employer ever cancels the health insurance policy, you should immediately visit the Marketplace to shop for your own policy. You are still required to have health insurance coverage.

My employer doesn't offer insurance now. What are my options?

If you are employed by a business with fewer than 50 FTE employees (full time equivalents), your employer may or may not offer health insurance. Employers are not required to offer insurance until at least 2016.

Affordable health insurance policies for individuals are available on the Marketplace. Enrollment begins November 15, 2014 and coverage can begin as early as January 1, 2015. You are encouraged to visit the Marketplace to see what options are available to you.

What are the subsidized health insurance plans and tax credits about?

Individuals applying at the Marketplace for health insurance policies may be eligible for discounted premium rates and plans with lower copays. When you apply at the Marketplace, you will know immediately if you qualify for any discounts. These discounts are essentially tax credits – you just don't have to wait until you file your next tax return to benefit from them. Some people have referred to these plans with lower premiums as being 'subsidized' plans. What is left after the subsidy will be your monthly bill.

If your employer offers insurance that is deemed 'affordable,' you will not be eligible to purchase a discounted policy through the Marketplace. 'Affordable' generally means the premium cost is less than 9.5% of your household income. You can still get a policy through the Marketplace, but it won't be subsidized.

Who is eligible for these discounts?

When you fill out an application at the Marketplace, you will include information about your income. The amount you save depends on your family size and income. The lower your income, the higher your savings. For example, a family of 4 with an income of up to \$95,400 may be eligible for discounts.

What about insurance for my children?

By applying for insurance through the Marketplace, you will automatically be told if your children qualify for Children's Health Insurance Program (CHIP) or Medicaid. Each state program has its own rules about who qualifies. Visit www.insurekidsnow.gov or call 1-877-543-7669 to find out if your children qualify now.

Is there a North Carolina Marketplace? What about the Medicaid expansion I've been hearing about?

North Carolina lawmakers voted to decline the option for a state run Marketplace. Plans for North Carolina residents will only be available through the federal Marketplace. North Carolina lawmakers also voted to decline Medicaid option. Some residents of North Carolina may find that they make too much money to qualify for Medicaid, but not enough money to qualify for tax credits. This is being referred to as the 'Medicaid Loophole'. These individuals will likely qualify for a hardship exemption from the health insurance requirement.

Where can I go for more help?

More information is coming out regularly. It is critical that you seek the latest information.

- Visit healthcare.gov for new details, worksheets, online Marketplace applications and to sign up for regular email updates related to ACA.
- Talk to your employer about their plans for offering health insurance
- Visit <http://bit.ly/187mvq1> to learn about NC Health Choice for Children.
- Visit localhelp.healthcare.gov to find help in your community



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