

Affordable Care Act FAQ's for Department of Defense NAF Employees/ Retirees

Q1. How does the Affordable Care Act affect me?

A1. The Affordable Care Act (P.L.111-148) requires that individuals obtain health insurance coverage by January 1, 2014 or pay a tax penalty for not having health insurance. This is referred to as individual responsibility in the law.

Q2. What is the individual penalty for not obtaining health coverage in 2014?

A2. The fee changes annually. In 2014 the fee was 1% of your yearly income or \$95 per person for the year, whichever is higher. In 2016 it was 2.5% of income or \$695 per person, whichever is higher. Paying the fee does not provide any health insurance coverage.

Q3. Does the coverage offered by the Department of Defense (DoD) Nonappropriated Fund Health Benefit Program (NAF HBP) meet the minimum essential coverage requirement of the Affordable Care Act?

A3. All of the plans offered by the DoD NAF HBP meet the minimum essential requirement of the Affordable Care Act. The Tricare Affirmation Act (P.L.111-159) states that the coverage offered in the NAF HBP meets the minimum essential requirement. This extends to any HMO offered by a NAF employer in the NAF HBP. All of the Aetna medical plans offered by the DoD NAF HBP meet the minimum essential requirement.

Q4. If I am already enrolled in the DoD NAF HBP, what do I need to do this fall during open enrollment to continue my coverage and meet the requirements for having medical coverage?

A4. Starting in 2014, every individual (including your dependents) was required to have health insurance or pay a penalty. Make sure your current elections for dependent coverage covers your entire family. If you determine that your election meets the individual coverage requirement for you and your dependents no further action is needed on your part., unless you need or want to make a change in coverage.

Q5. I am a retired employee with Post-Retirement Medical benefits from my DoD NAF employer. Can I drop my NAF HBP coverage and enroll in a state marketplace plan? Can I reenroll in the NAF HBP if I decide to drop my state marketplace coverage?

A5. If you're a pre-65 retiree with NAF HBP Post-Retirement Medical Benefits you may drop your coverage to enroll in a plan offered by your state marketplace. Based on your income you may be able to receive a tax subsidy for insurance provided by the state marketplace insurance Please note: The health insurance marketplace does not have plans for those that are Medicare primary. If you drop your NAF HBP Post-Retirement Medical Benefits, you will no longer

receive the employer paid share of your PRM benefit. You will not be permitted to re-enroll in the NAF HBP Post-Retirement Medical Benefits if you discontinue coverage.

Q6. I am not eligible for NAF HBP health benefits. How do I obtain health coverage that meets the minimum essential coverage requirement?

A6. You might be eligible as a child on a parent's policy or added to a spouse's coverage as a dependent. Check the government website: <https://www.healthcare.gov> for more information about Marketplace plans in your state. For Spanish speaking consumers, CuidadoDeSalud.gov has also been updated in preparation for the Marketplace. Private exchanges along with state/federal partnership marketplaces may also be available in your area. Marketplace enrollment assistance is available now by calling 1(800)318-2596.

Q7. If I choose to obtain coverage from the Marketplace will my NAF employer pay 70% of the premium charged as they do now in the NAF HBP?

A7. No. Your actual cost may be higher for coverage from the Marketplace due to the lack of employer contribution. If you are purchasing health insurance in the public health insurance marketplace, premium tax credits (many times referred to as subsidies) generally are available to help pay for coverage for employees who:

- are between 100% and 400% of the federal poverty level and enroll in coverage through an Affordable Insurance Marketplace
- are not eligible for coverage through a government-sponsored program like Medicaid or CHIP, and
- are not eligible for coverage offered by an employer or are eligible only for employer coverage that is unaffordable or that does not provide minimum value.

Q8. Am I eligible for Marketplace coverage if I live outside of the United States or in a U.S. territory?

A8. You must live in the United States to be eligible for Marketplace health coverage. Residents of U.S. territories are not eligible to apply for health coverage through the Marketplace.

Q9. What if I lose or become ineligible for my employer sponsored NAF HBP insurance?

A9. If you leave your job for any reason or become ineligible for your employer sponsored health insurance you may buy coverage from the Marketplace. Based on your income and family size you may qualify for a subsidy (tax credit). Subsidies are available if you are between 100% and 400% of the federal poverty level and enroll in coverage through an Affordable Insurance Marketplace. Any subsidy is paid directly to the insurance company. The cost of

marketplace insurance coverage may be much lower than the cost of temporary continuation of coverage (TCC). It is a very good idea to compare the plans offered by the marketplace with the TCC offered by your former employer. There is no employer contribution for TCC coverage. The cost of TCC coverage is 102% of the monthly rate.

Q10. How do I compare coverage in the Marketplace with coverage from the NAF HBP?

A10. Marketplace insurance plans have been categorized into four types. From lowest to highest- Bronze, Silver, Gold and Platinum. All Marketplace plans provide the minimum essential coverage just as the NAF HBP does. Aetna plans in the NAF HBP have been determined to be Gold. Check with NAF HBP HMO's for their color rating. Premiums (what you pay for the coverage) and out of pocket expenses (what cost share you have when you are covered) increase as you move from low level (bronze) to higher level plans.

Q11. I have additional questions about the effects of health care reform on me and my family. Where can I go for answers to my questions?

A11. The best place for answers is the government website provided by the Department of Health and Human Services. See www.healthcare.gov for answers to your consumer questions. The IRS also provides answers to questions regarding the individual responsibility to have health insurance. See <http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-SharedResponsibility-Provision>

Q12. I am a participant in the NAF health plan with family coverage - why do I need to provide the SSN for my covered dependents?

A12: All individuals will be required to provide information on their enrollment in qualified "minimum essential" medical coverage as part of their annual IRS tax filing (beginning with filing for tax year 2013). The social security numbers will be required for this filing. Please refer to the IRS website for additional information.

<http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision>

