

New Health Insurance Marketplace Coverage Options and Your Health Coverage

Key parts of the Patient Protection and Affordable Care Act, also known as the health care reform law, go into effect January 1, 2014. When this happens, there will be a new way to buy health insurance: the Health Insurance Marketplace (the “Marketplace”). To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by the Massachusetts Institute of Technology.

What is the Health Insurance Marketplace?

The Marketplace is designed to help individuals find health insurance that meets their needs and fits their budget. It offers “one-stop shopping” to find and compare private health insurance options. Certain individuals may also be eligible for a new kind of tax credit that lowers their monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins October 2013 for coverage starting January 1, 2014.

Can Individuals Save Money on Health Insurance Premiums in the Marketplace?

Individuals who are not eligible for employer-sponsored coverage, or who are eligible only for employer-sponsored coverage that fails to meet certain minimum value and affordability standards, may qualify to save money and lower their monthly premiums if they purchase coverage through the Marketplace. The amount of savings available depends on household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. Certain individuals may be eligible for a tax credit that lowers their monthly premiums, or a reduction in cost-sharing, if their employer does not offer health coverage at all or does not offer coverage that meets certain standards. If the cost for *employee-only coverage* is more than 9.5% of an employee’s household income for the year, or if the coverage does not meet the “minimum value” standard set by the health care reform law (i.e., the plan’s share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs), an employee may be eligible for a tax credit through the Marketplace.

The coverage under the health plans sponsored by the Massachusetts Institute of Technology Group Health Plan exceeds the government’s standards for minimum value, and the cost of this coverage to you is intended to be affordable. This means that if you are eligible for health benefits through the Massachusetts Institute of Technology, you will likely not qualify for a tax credit through the Marketplace. You should also be aware that, unlike health coverage that the Massachusetts Institute of Technology sponsors, the Massachusetts Institute of Technology does not contribute toward the cost of coverage purchased through the Marketplace and your payments for coverage through the Marketplace must be made on an after-tax basis.

How Does the Individual Mandate Impact Me?

Beginning in 2014, if you can afford health insurance, but choose not to have it, you may have to pay a fee. The fee will apply for every month you or your family members don’t have health coverage after January 2014. You will be required to pay any fee owed when you file your annual federal income tax return. To avoid this fee, you must have coverage that qualifies as “minimum essential coverage” (MEC) or qualify for an exemption. As mentioned above, all the Massachusetts Institute of Technology healthcare plans qualify as MEC. You can also obtain coverage through one of the following:

- A plan offered by the employer of your spouse/partner or your parent, if coverage is available
- A private insurance plan
- A government insurance program such as Medicare or Medicaid, if you qualify
- One of the public health insurance marketplaces that will be available later this year.

The fee in 2014 if you choose not to have coverage, is 1% of your household income minus the tax filing threshold, or a flat fee of \$95 per uninsured person in your family for the year, whichever is higher. In 2014, the applicable flat fee for uninsured children under age 18 is reduced from \$95 to \$47.50 per child. The highest flat fee a family would have to pay in 2014 is \$285. The fee increases every year. The fee will be no higher than the national average premium of a bronze plan purchased through an Exchange. It’s important to remember that paying this fee does not provide you with health insurance coverage. You will still be responsible for 100% of the cost of your medical care. For more information about the Individual Mandate, please visit: www.healthcare.gov.

How Can I Get More Information?

If you have questions about your Massachusetts Institute of Technology health benefits, please check your health plan summary plan description or call the Massachusetts Institute of Technology at benefits@mit.edu or call 617-253-6151. If you have a question about the Health Insurance Marketplace, visit www.healthcare.gov. If you decide to complete an application for coverage in the Marketplace, you will need to include the following information (numbered to correspond with the Marketplace application):

3. Employer name Massachusetts Institute of Technology		4. Employer Identification Number (EIN) 04-2103594	
5. Employer address 77 Massachusetts Avenue, E19-215		6. Employer phone number 617-253-6151	
7. City Cambridge	8. State MA	9. ZIP code 02139	
10. Who can we contact about employee health coverage at this job? <u>Massachusetts Institute of Technology</u>			
11. Phone number (if different from above)		12. Email address benefits@mit.edu	