

*Implementing the Affordable Care Act
A how-to guide for the local church*



Everyone has an opinion about the Affordable Care Act



Affordable Care Act is very complex and our time today does not permit a comprehensive review



Learn more about the ACA
at www.flumc.org/hr



Contact information for insurance
agencies specializing in employee benefits



Focus today on the basics of the new law and
important next steps for local church leadership



Background on the ACA

- Builds on existing healthcare system
- Aims to rein in healthcare costs
- Upheld by Supreme Court
- Some benefits went into effect immediately in 2010
- This year, the new "Marketplace" opens on Oct. 1st
- The "individual mandate" takes effect in 2014 requires everyone have health insurance or pay a penalty



The YouToons get ready for Obamacare



ACA consumer protections

- Insurers can no longer deny coverage to people with pre-existing medical conditions (2010 for kids, 2014 for adults).
- Law bans lifetime caps that limit coverage and insurers can't drop coverage when someone gets sick.



ACA consumer protections

- Law establishes a **minimum standard set of benefits** all insurers must provide including coverage for preventative care.
- Adult children under age 26 can stay on parents insurance plan.



ACA provides financial assistance to purchase health insurance

- ACA includes provisions for low-income individuals who qualify for Premium Tax Credits (PTC's) to assist them in purchasing health insurance.
- PTC's enable low-income individuals to afford health insurance and comply with the individual mandate that everyone have insurance.



Premium tax credits

- PTC's are available to individuals earning more than 100% but less than 400% of Federal Poverty Limit (FPL).
- In 2013, 100% of FPL is approximately \$11,500 for one person and \$23,550 for a family of four.
- PTC's are not available to employees when an "affordable" group health plan is offered by the Employer that meets minimum benefit standards.



Conference health insurance plan meets or exceeds ACA requirements

➤ The Conference United Healthcare plan is a "Qualified Health Plan" that meets both the "affordability" requirement and exceeds the "minimum benefits" required under the law.

Essential Benefits	Individual plans
Per package	
Annual	
IRS Approved	% Package Requirement
Ambulatory patient services	10%
Emergency services	10%
Hospitalization	10%
Maternity and newborn care	

Clergy are required to remain in Conference health insurance plan

➤ Clergy under full time Episcopal appointment are required to remain enrolled in the mandatory Conference health insurance plan for 2014.

➤ Clergy who opt out of the Conference plan are not eligible for PTC's through the Marketplace.



Clergy not eligible for Conference health insurance plan

➤ Clergy appointed less than full time are not eligible for the Conference plan.

➤ To comply with the individual mandate, you may want to investigate obtaining individual coverage through the new Marketplace.

➤ Depending on your household income - PTC's may be available to subsidize the cost for you and your family.



Health insurance options for the local church



An Introduction to the health insurance "Marketplace"



Small Business Health Options Program (SHOP)

- The SHOP is a new program that simplifies the process of buying health insurance for small business.
- For 2014, the SHOP Marketplace is open to employers with 50 or fewer full-time employees.
- You control the coverage you offer and how much you pay toward employee premiums.



<https://www.healthcare.gov/small-businesses>

Small Business Health Options Program (SHOP)

- You can compare health plans online on an apples-to-apples basis to make a decision that's right for your church.
- You may qualify for a health care tax credit worth up to 35% of your premium costs.
- Beginning 2014 the tax credit is available only for **plans purchased through SHOP.**



<https://www.healthcare.gov/small-businesses>

Small business health care tax credits



Video

Small business tax credits

- Local churches will file for rebates using IRS Form 990-T
- In 2014, rebates are available to the church for premiums paid on behalf of lay employees - if insurance plan is purchased through the Marketplace SHOP.
- Tax credits **are not** available for the Conference clergy health insurance plan.



Important action items for local church leadership



Action Item # 1 Determine how you will provide assistance to lay workers to acquire health insurance

- If you have less than 50 fulltime employees - your church is **not required** to provide health insurance to lay workers.
- As a small non-profit organization, you may purchase insurance for lay workers through the SHOP Marketplace.
- You may also consider directing lay employees to the Marketplace to purchase individual plans.
- Or, consult with an insurance agent - specializing in employee benefits - to consider sponsoring a small group plan.



Action Item # 2 Provide Exchange Notice to all employees



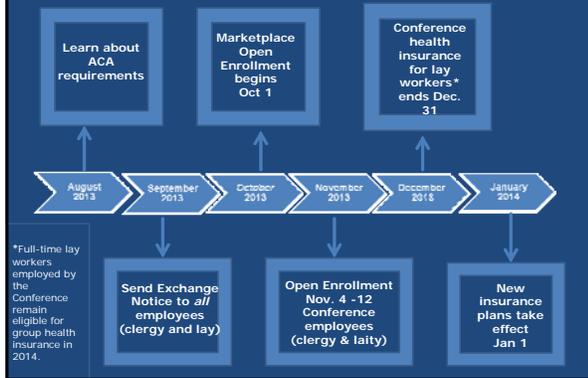
- ACA requires employers distribute a notice to **ALL** employees, including clergy, whether or not you offer health insurance.
- The Notice describes the new *Health Insurance Marketplaces* and how an employee can contact the Marketplace to purchase coverage.
- Employers must provide this notice to all employees **NO LATER THAN OCTOBER 1, 2013**.
- See our website www.flumc.org/hr for instructions and templates to complete the Notice. Notices may be mailed or e-mailed to employees.

Open Enrollment reminder

- Verify fulltime clergy are advised of the Conference Open Enrollment period Nov. 4-12, 2013.
- Clergy are not required to re-enroll for health coverage during Open Enrollment.
- Plan participants must make an annual election for Flexible Spending Accounts
- Open Enrollment is your annual opportunity to make benefit changes. Remember to make your 2014 elections for Flexible Spending Accounts, check your life insurance benefits and update beneficiary information.



ACA Implementation Timeline



Additional Resources

- www.flumc.org/hr
- E-mail inquiries to benefits@flumc.org
- www.gbophb.org – Health Care Reform
- www.healthcare.gov
- Employee Benefits Insurance Agencies





Next Webcast

2:00PM EST
Tuesday September 24, 2013
