

## **Frequently Asked Questions**

### **RCUH Health Exchange Marketplace**

**1. What happens if your FTE drops to be ineligible for the RCUH's medical plan, what happens to me?**

- If your FTE drops below 50% FTE, you will no longer be eligible to participate in RCUH's medical plan. Therefore, you will have the option of enrolling COBRA (extension of your current benefit plan for up to 18 months). COBRA requires that you pay 102% of the premiums (100% of medical premium plus a 2% administrative fee). If you had dependents, your dependents will also be issued COBRA notices.

**2. How is the Health Exchange going to affect me?**

- If you currently have health insurance through RCUH, you DO NOT need to do anything. The Health Exchange (i.e. Hawaii Health Connector) will offer insurance for those that are not currently insured.

**3. If I transfer to another employer (another RCUH project) would this affect my medical coverage?**

- No, as long as you do not have a break in service and you are still eligible for benefits (i.e. Regular status employee at 50% FTE or greater).

**4. If you have a medical plan through your employer can you get a medical plan through the Connector?**

- If you would like to explore Marketplace coverage options you can, but there are several important things to consider:
  - If you choose a Marketplace plan instead, your employer does not need to make a contribution to your premiums. There will be no continuation of the 60% employer contribution.
  - Be aware that you may not qualify for lower costs on your monthly premiums and out of pocket costs, even if your income would qualify you otherwise.

**5. If I'm covered there is really not much I have to do, but will our rates go up?**

- Yes, correct. RCUH has yet to receive rates for next years plan but we anticipate that we will have an increase in premiums.

**6. Since there is now Hawaii Health Connector, will RCUH discontinue its medical plans because of this?**

- No, RCUH will continue offering medical/dental plans.

- 7. So we're paying a surcharge due to the Affordable Care Act? How much?**
- Yes, correct. The Affordable Care Act has impacted RCUH's medical plans by a 2-5% increase in premiums.
- 8. We're currently on an insurance plan, if we drop it, then do we have to do our own research on what type of plan?**
- Yes, correct. Once you drop your current insurance plan, you will be on your own to find medical coverage through other means (ie. Through Hawaii Health Connector).
- 9. Do we change RCUH Health Plans now? What happens if I do decide to change to the Health Connector plan?**
- Before you change, you should research your options. Once you drop RCUH's health plan, you will be on your own.
- 10. If we do decide to change to the Health Connector will RCUH still contribute (60%) of the costs?**
- No, we will no longer pay 60% of your premiums. If you decide to drop RCUH's medical plan, you will no longer be able to re-enroll until RCUH's Open Enrollment.
- 11. Is the marketplace different from the RCUH (Medical) Plans?**
- Please visit [www.hawaiihealthconnector.com](http://www.hawaiihealthconnector.com) for more information on their plan types and costs.
  - RCUH's medical plans can be referenced via our website ([www.rcuh.com](http://www.rcuh.com)) under Policy 3.520 RCUH Health Plans.
- 12. Will the Hawaii Health Connector replace QUEST?**
- No, QUEST will remain available. However, there should be QUEST comparable plans through the connector.
- 13. Can you drop your RCUH medical plan at any time?**
- Yes, as long as you meet our form deadlines. However, we advise you to double check the rates through the Hawaii Health Connector first before dropping your existing RCUH medical plan.
- 14. Can you enroll a (new) child at anytime such as a birth of a child?**
- RCUH: This would be a qualifying event that would need to be done no later than 30 days after the child is born.
  - Hawaii Health Connector: This would be considered a qualifying event. Visit their website at [www.hawaiihealthconnector.com](http://www.hawaiihealthconnector.com) for more information on required documentation and deadlines.

**15. Currently, parents are able to keep their children on their medical plans up to age 26, is that true for both the RCUH plan as well as the Health Connector?**

- Yes, this will remain the same for both RCUH as well as the Health Connector.

**16. What is a qualifying event?**

- Qualifying events include the following:
  - Birth or adoption of a child (add child)
  - Marriage (add spouse)
  - Loss of insurance coverage (add employee, spouse and/or child)
  - Meeting the eligibility requirements for Domestic Partner status
  - Meeting the eligibility requirements for Civil Union Partner status
- Enrollment into RCUH's medical plans must be done within 30 days from the date of the qualifying event. Contact RCUH Benefits ([rcuh\\_benefits@rcuh.com](mailto:rcuh_benefits@rcuh.com)) for more information.

**17. If we are signed up through RCUH Group Health plans and I have a new child how much time do I have to enroll them?**

- You have 30 days from the birth of the child to add them onto our medical plans.
- You will need to provide your child's birth certificate and RCUH's Group Benefits Enrollment/Change Form.

**18. Even if I stay with the employer medical plan is still possible for me to enjoy the tax credit from the Connector?**

- You will need to choose one (Employer plan or Connector plan).

**19. Why is RCUH not required to provide all of its employees with medical plan?**

- RCUH is exempt from Hawaii's Prepaid Healthcare law. We only provide medical plans for employees who are regular status and 50% FTE or higher (and eligible dependents).
- In 2015, we anticipate that this will change and will provide more guidance and information.

**20. Does RCUH have any plans to change eligibility for its medical plans?**

- No, we intend to keep this the same unless we are legally required to change our policy/eligibility.

**21. Is the \$95 tax penalty against the Employer or Employee?**

- Tax penalties are against the employee.

**22. Since the tax is on the Employee is that \$95/person for the whole year?**

- Yes.

**23. Does the tax penalty grow to 10% of your income?**

- The penalty is the greater of:
  - For 2014, \$95 per uninsured person or 1 percent of household income over the filing threshold,
  - For 2015, \$325 per uninsured person or 2 percent of household income over the filing threshold, and
  - For 2016 and beyond, \$695 per uninsured person or 2.5 percent of household income over the filing threshold.
- There is a family cap on the flat dollar amount (but not the percentage of income test) of 300 percent, and the overall penalty is capped at the national average premium of a bronze level plan purchases through an exchange. For individuals under 18 years old, the applicable per person penalty is one-half of the amounts listed above.
- Beginning in 2017, the penalties will be increased by the cost-of-living adjustment.

**24. How would the government know if you have a health plan or not?**

- The government will require you to tell them via the taxes that you will file for 2013. Starting then, the Internal Revenue Service (IRS) will send out a form where you'll fill in the type of health plan you purchased.

**25. How would they assess you with taxes?**

- The fee in 2014 is 1% of your yearly income or \$95 per person for the year, whichever is higher. The fee increases every year. In 2016 it is 2.5% of income or \$695 per person, whichever is higher.
- In 2014 the payment for uninsured children is \$47.50 per child. The most a family would have to pay in 2014 is \$285.
- You make the payment when you file your 2014 taxes, which are due in April 2015.

**26. Does the Hawaii Health Connector include dental?**

- HMSA/Kaiser will be offering pediatric dental or vision plans through the Connector.
- HDS will be providing stand-alone dental plans through the Connector.
- Starting in 2014, you must have health coverage or pay a fee but this is not true for dental coverage. You do not need to have dental coverage to avoid the penalty.

**27. If I was employed by one RCUH program for 10 years, and I move on to another RCUH project, would I be eligible for the Retiree Medical coverage?**

- RCUH's Retiree Medical coverage requires an employee to meet the following criteria:
  - Regular Status employee
  - 10 years of continuous service with RCUH
  - 10 years total participation in RCUH's Group Retirement Annuity (GRA) plan
  - Age of 59 ½ years
  - An annuitant of the RCUH GRA plan at the time of application and while receiving these benefits
  - Resignation/Retirement in good standing
  - Resignation/Retirement occurred on/after April 1, 1990
- Retirees would be eligible for the following:
  - Retiree Health
  - Retiree Life Insurance
- Refer to RCUH Policy 3.550 RCUH Retiree Health and Life Insurance Program for more information on eligibility requirements.

**28. So nothing applies if a program closes before we meet the eligibility requirements for the retiree medical benefits?**

- This is correct. If a program closes before an employee meets the eligibility requirements for retiree medical benefits, then the employee will not be eligible for these benefits.

**29. Will the Health Connector affect Retiree Health?**

- No, our retiree health benefit/policy will remain in tact for now.

**30. Would the creation of the Health Connector affect what RCUH provides in its medical plans? Will you still offer the same plans like Health Plan Hawaii?**

- No. Since RCUH is separate from the Health Connector, we will still offer the same medical plans.

**31. Financial assistance from the government- is it a tax credit or is it a subsidy?**

- Tax credits are available for individuals and families who meet certain income requirements and do not have access to affordable health insurance through their employer that also meets minimum coverage requirements. Eligibility for tax credits is based on a standard, called the "federal poverty level," that looks at family income and the number of people in the family. The size of the tax credit is based on a sliding scale, with those who make less money getting larger financial

assistance to lower the cost of their insurance coverage. Individuals and families who make between 133 percent and 400 percent of the federal poverty level may be eligible for a tax credit. This means that an individual making up to \$52,920 and a family of four earning up to \$108,360 may be eligible for tax credits.

- Some key facts about tax credits:
  - Tax credits lower the cost of your premium. Tax credits reduce the amount of the premium you will pay for insurance.
  - Tax credits help low- and middle-income individuals and families. Tax credits are available to individuals and families who meet certain income requirements.
  - Tax credits can be used when you enroll. Tax credits can be applied to the cost of your health plan when you enroll – you do not need to wait until you file a tax return at the end of the year.
  - Tax credits are only available through the Hawai'i Health Connector. You must enroll in a health plan through the Hawai'i Health Connector if you want to use your tax credits.
  - Tax credits are paid directly to your health plan. These tax credits are paid by the Hawai'i Health Connector to your health plan to keep your costs low.
  - Tax credits will be adjusted at the end of the year based on your actual income. At the end of the year, the tax credits may be adjusted if your income is different than you anticipated. This means that you will want to notify the Hawai'i Health Connector if your income changes.

### **32. COBRA vs. Health Connector, which is cheaper?**

- Under COBRA, you would pay 102% of your medical premiums (100% of the premium plus a 2% administrative fee).
- Under Health Connector, rates depend on how much coverage you choose to purchase and whether or not you qualify for financial assistance like tax credits. Rates are linked to age, income, and type of benefit plan.

### **33. Hawaii Health Connector also has an Open Enrollment once a year?**

- Yes. For 2013, their Open Enrollment period is from October 1, 2013 through March 31, 2014.

### **34. When and how long is RCUH Open Enrollment window?**

- RCUH's Open Enrollment announcements will come out in April/May of 2014.
- RCUH plan year runs from July 1 through June 30.

**35. Will the Health Connector increase RCUH's medical rates?**

- Through the Affordable Care Act (i.e. Obama Care), we are anticipating that medical rates will continue to face an increase. We are unsure of the exact amounts at the moment.

**36. Is there any health screening with the Health Connector?**

- Starting in 2013, health insurance plans can't refuse to cover you or charge you more just because you have a pre-existing health condition. Coverage for your pre-existing conditions begins immediately.