**October 1, 2013**

**Dear MSU Employee:**

Effective January 1, 2014, the Affordable Care Act (or health care reform law) will create a new way to get health coverage. It's called the [Health Insurance Marketplace](https://www.healthcare.gov/) (also known as exchanges). It gives people another way to compare and buy health insurance. They can choose from more than one insurance company at the marketplace.

**It's an option, but not the only one:** There are four places where people can get health insurance:

* From their employer (e.g., Murray State University for eligible persons)
* A health insurance company that sells individual policies
* Kentucky Medicaid (dial 1-800-635-2570 or website: <http://chfs.ky.gov/dms/default.htm> ) Children’s Health Insurance Program (CHIP) (dial 1-877-KIDS-NOW (1-877-543-7669) or website: [www.insurekidsnow.gov](http://www.insurekidsnow.gov) )
* The Health Insurance Marketplace

**The deadline is approaching fast**

Starting January 1, 2014, the law requires almost everyone who is a legal U.S. resident to have health coverage or pay a penalty. In the first year, people without minimum coverage (a plan that pays for at least 60% of health care services) must pay $95 per adult ($47.50 per child) or 1% of their income (whichever is greater). This penalty goes up each year. Without health care coverage, every family member risks paying a penalty and the possibility of paying a lot of money if the family member has health care expenses.

The government created the Health Insurance Marketplace so people would have another way to buy health coverage, to follow the health care reform law and avoid the penalty. Although some health insurance plans that are not in the marketplace are run or administered by health insurance companies, all plans in the marketplace are run by health insurance companies and offer a core set of benefits, like maternity and newborn care, prescription drugs, preventive, and emergency care.  There may be a few plans from which to choose, with some plans having the lowest monthly premium but the person will pay more of the cost of the health care expenses.  Other plans may have the highest monthly premium, but the person will pay less of the cost of the health care expenses.

Kentucky citizens may contact “kynect” Kentucky’s Healthcare Connection, at [www.kynect.com](http://www.kynect.com) or call 1-255-4kynect (255-459-6328).  The contact center provides a toll-free hotline for Kentuckians seeking information about kynect.  Assistance in English, Spanish, and other languages is provided.

So if plans in the marketplace are similar to plans outside the marketplace, and anyone can buy a plan through the marketplace, who might consider buying through the marketplace?

**Low-income individuals and families**

Many low-income individuals and families can get help paying for a plan through a tax credit or a subsidy when they buy through the marketplace. Persons who aren't eligible for a government-sponsored program, like Medicare or Medicaid, or other sources of minimum essential coverage, may still qualify for financial support to lower their premium through a tax credit if their income is between 100% and 400% of the federal poverty level.  These include:

* Single people who earn 100% to 400% of the poverty level. This means they make between $11,490 and $45,960 a year.
* A family of four that earns 100% to 400% of the poverty level. This means they make between $23,550 and $94,200 a year.
* People who earn up to 250% of the poverty level. This group might get an added subsidy to help pay for their health care costs.

Starting on January 1, 2014, all health plans must take individuals no matter what their health status, age, or gender.  Some plans may have limits of care based on where the individual lives.

Note that if you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution to the employer-offered coverage.  Also, this employer contribution, as well as your employee contribution, is excluded from income for Federal and State income tax purposes.  Your payments for coverage through the Marketplace are made on an after-tax basis.

Please [click here](http://www.murraystate.edu/Libraries/CHSHS_WTS_Docs/Exhange_Notice_draft_9-12-13.sflb.ashx) to view the notice of the “New Health Insurance Marketplace Coverage Options and Your Health Coverage” that Murray State University offers.