The Patient Protection and Affordable Care Act

In recent weeks, Americans have been inundated with information about the benefits and obligations of the Patient Protection and Affordable Care Act, more commonly known as Obamacare. On October 1, 2013, the Health Insurance Marketplace (also known as the health exchanges) opened for enrollment, affording Americans with the necessary tools to apply for health coverage, compare options, and select a plan. By law under the Affordable Care Act, each individual must maintain minimum essential health coverage; or qualify for an exemption; or make a payment when filing his or her Federal income tax return. Many Mail Handlers and other federal and postal employees enrolled in a health plan under the Federal Employee Health Benefits Program (FEHBP) have questioned how they will be impacted by the Affordable Care Act.

A recent notice issued by the U.S. Office of Personnel Management (OPM) noted that enrollees in the FEHBP “are not affected by the health exchanges.” All FEHBP health plans are eligible employer sponsored plans that meet the requirements for minimum essential coverage. If you are enrolled in a FEHBP plan, your benefits include the essential health coverage outlined in the Affordable Care Act and you won’t have to make a payment to the Internal Revenue Service (IRS) for noncompliance. OPM also verified that FEHBP satisfies the minimum value standard. This means that your health plan’s share of the total allowed benefit costs covered by the plan is no less than 60 percent (actuarial value) of such costs. In addition, OPM affirmed that coverage through the FEHB Temporary Continuation of Coverage or Spouse Equity provisions also will satisfy minimum essential health coverage requirements.

Simply stated, if you are enrolled in a FEHBP health plan, you are not required to participate in the health exchanges. However, you are free to evaluate the Health Insurance Marketplace at www.healthcare.gov. If you plan to check out the Marketplace, there are important considerations as it relates to your FEHBP coverage, such as those shared in a recent notice from the OPM:

“Please be aware that there is no government or employer contribution to the premiums for Health Insurance Marketplace plans. Also premiums are paid on an after-tax basis for Health Insurance Marketplace plans. In addition, if (federal employees) are eligible to enroll in the FEHB Program but do not enroll or if they cancel their FEHB enrollment, they should be aware of the consequences of such actions including the following but not limited to: If an employee dies, he/she will not have an FEHB Self and Family enrollment for his/her survivors to continue, even if he/she is eligible for a survivor annuity. If an employee retires, he/she will not have an FEHB enrollment to continue into retirement.”

Of particular interest to new employees, Mail Handler Assistants (MHAs) who have been hired since February 15, 2013 or are hired in the future will have access to certain health insurance opportunities beginning in January 2014. Effective on January 11, 2014, which is the start of Plan Year 2014, the Postal Service will make a bi-weekly contribution to the total premium for any MHA who chooses to participate in the USPS Noncareer Health Care Plan. That contribution will be equal to the greater of (a) $125 per pay period, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only coverage. The MHA will be fully responsible for the cost of premiums for any health insurance plan beyond a self-only plan. All MHAs hired in the future will be eligible for the USPS Plan within a reasonable period from the date of hire and entry into a pay status, consistent with the requirements established under the Affordable Care Act.

Simply stated, MHAs will be eligible for coverage effective on January 11, 2014. Additional information will be distributed by the NPMHU and the Postal Service in the coming weeks before open season, which is set to begin during the second week of November. Finally, in accordance with the 2011 National Agreement, when MHAs are converted to career status, they immediately will become eligible for regular coverage under the FEHBP, similar to the coverage provided to other career Mail Handlers.

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