



## Health Insurance Marketplaces Coming Soon DGA Coverage Provides Better Benefits

Over the next several months, you will be hearing and seeing a lot about health care reform and the Health Insurance Marketplaces. To help prepare you for the changes that are coming, we have devoted this entire issue to addressing the important questions about health care reform and how it will affect you, the DGA member.

Before we get to the details, let's start with the basics: six key facts about health care reform:

- ▶ In 2010, Congress passed a sweeping health care reform law, entitled the Affordable Care Act (ACA), which fundamentally affected health coverage in the United States.
- ▶ In 2012, the Supreme Court considered whether the ACA was constitutional. Most aspects of the law were upheld.
- ▶ Beginning in 2014, the ACA requires most Americans to have health insurance. Those without insurance pay a fine.
- ▶ **If you have DGA-Producer Health Plan coverage, you don't need to do anything. Your DGA-PHP coverage far exceeds ACA requirements and is better than the coverage available for purchase through the Health Insurance Marketplace, with lower premiums (no premium for individual coverage), lower out-of-pocket costs and a larger provider network.**
- ▶ For individuals and families without coverage, online Health Insurance Marketplaces will be available in each state. Enrollment begins October 1. Coverage begins January 1.
- ▶ If you don't have coverage and your 2014 household income will be less than four times the Federal Poverty Level (approximately \$94,200 for a family of four), you can receive a subsidy for insurance purchased through the Marketplace.

Those are the key facts. For more details about the Affordable Care Act, the Health Insurance Marketplaces, and how all of this will affect you, continue reading the Q & A's featured in the following pages. **PH**

See how  
DGA coverage  
beats  
Marketplace  
coverage  
page 3



# Q&A

## Participants on **Earned** Coverage

### **2 Q&A: Participants on Earned Coverage**

Get answers to how the Health Insurance Marketplace affects your earned coverage options.

### **3 Comparison Between DGA- PHP Coverage and Health Insurance Marketplace Coverage**

See how DGA-PHP coverage is better than coverage offered through the Health Insurance Marketplace.

### **4 Q&A: Participants on Self-Pay Coverage**

Get answers to how the Health Insurance Marketplace affects your self-pay coverage options.

### **7 Q&A: Participants on Retiree Coverage**

Get answers to how the Health Insurance Marketplace affects your retiree coverage options.

#### **What should I do when the Health Insurance Marketplace goes into effect on January 1?**

You don't need to do anything if you have earned coverage through the DGA-Producer Health Plan (DGA-PHP).

Your DGA-PHP coverage far exceeds the minimum coverage requirements under the Affordable Care Act and is better than the coverage available for purchase through the Health Insurance Marketplace, with lower premiums (no premium for individual coverage), lower out-of-pocket costs and a larger provider network. See the InfoBox on page 3 for more details.

#### **Can I cover my dependents through the Marketplace instead of the DGA-PHP?**

Yes. However, it would not make financial sense to do so. DGA-PHP participant + 1 coverage costs \$65 per month. Participant + Family coverage costs \$100 per month. You would not receive a federal subsidy for your dependent's Marketplace coverage and the coverage would be more expensive (see the chart on page 3 for a sample coverage comparison).

Be aware that if your dependents do not have health coverage, you may be subject to a penalty under the Affordable Care Act's individual mandate.

#### **Can I opt out of DGA-PHP coverage in favor of coverage through the Marketplace?**

No. You cannot opt out of DGA-PHP coverage.

Also, it would not make financial sense to do so. Rates for even the most basic coverage through the Marketplace will be more expensive and have higher out-of-pocket costs than DGA-PHP coverage, while covering fewer doctors and services (see the chart on page 3 for a sample coverage comparison).

In addition, since you and your dependents are eligible for earned coverage through the DGA-PHP, you will not receive a federal subsidy for coverage purchased through the Marketplace.

#### **Can I purchase supplemental health coverage through the Health Insurance Marketplace?**

Currently, it does not appear that supplemental coverage will be available through the Marketplace. In addition, it probably does not make financial sense to purchase supplemental health coverage, as most of your medical costs will already be covered through the DGA-PHP.

CONTINUED ON NEXT PAGE

# DGA–PHP coverage provides superior benefits at a lower cost than coverage offered through the Health Insurance Marketplace

Generally, DGA–PHP earned coverage has lower premiums (and no premium for individual coverage) and lower out-of-pocket costs than coverage available through the Health Insurance Marketplace. As a participant in the DGA–PHP, you also have access to a larger and more diverse provider network. In addition, the DGA–PHP provides benefits for non-network providers, which provides you with much greater flexibility in meeting you and your family’s healthcare needs.

For illustration purposes, below is a brief comparison of both the costs and benefits of DGA–PHP earned coverage for a family of four (featuring two adults, ages 45 and 40, and two children, both under age 21) with a household income of \$60,000 versus what the same family would obtain if it purchased insurance through California’s Health Insurance Marketplace:

Benefit	DGA Choice Plan	California Silver Plan <sup>1</sup>
Monthly Premium	\$100	\$409 <sup>2</sup>
Deductible	\$975	\$2,000 <sup>3</sup>
Network Primary Care Visit	10% of network rate	\$45 <sup>3</sup>
Non-Network Primary Care Visit	40% of R&C	Not Covered
Network Hospital Care and Outpatient Surgery	10% of network rate	20% of network rate <sup>3</sup>
Non-Network Hospital Care and Outpatient Surgery	40% of R&C	Not Covered
Generic Medication	\$10	\$25 <sup>4</sup>
Brand Name Medication	\$24	\$50 after \$250 deductible <sup>3</sup>
Network Annual Out-of-Pocket	\$1,000	\$12,700 <sup>3</sup>
Annual Out-of-Pocket (Non-Network)	\$8,900	Not Covered

Each state will have its own Marketplace offering up to four coverage levels: Platinum, Gold, Silver and Bronze. Since each state’s Marketplace will have a unique set of plans and rates, it is impossible to strictly compare DGA–PHP coverage and Marketplace coverage.

<sup>1</sup>At press time, the marketplace rates and benefits for other states (including New York) were not available. For more information, visit <https://www.healthcare.gov/what-is-the-marketplace-in-my-state>

<sup>2</sup>Calculating Potential Insurance Cost In 2014. (2013) Retrieved July 29, 2013, from [http://www.coveredca.com/calculating\\_the\\_cost.html](http://www.coveredca.com/calculating_the_cost.html)

<sup>3</sup>2014 Standard Benefits for Individuals. (2013) Retrieved July 29, 2013, from <http://www.coveredca.com/PDFs/English/CoveredCA-HealthPlanBenefitsComparisonChart.pdf>

<sup>4</sup>Covered California Health Insurance Companies and Plan Rates for 2014: Making the Individual Market in California Affordable (updated June 28, 2013) Retrieved July 29, 2013, from [http://www.coveredca.com/news/PDFs/CC\\_Health\\_Plans\\_Booklet.pdf](http://www.coveredca.com/news/PDFs/CC_Health_Plans_Booklet.pdf)

## One of my children is under 26 and is getting married. Will she be eligible for Health Plan coverage or coverage through the Marketplace?

Your dependent children are eligible under your DGA–PHP coverage up to age 26, regardless of their marital status.

While your dependent child could separately purchase coverage through the Marketplace, it probably does not make financial sense for him/her to do so.

## Will I be receiving anything in the mail regarding the Health Insurance Marketplaces?

Probably. Most employers are required to send a notice to their employees by October 1 notifying them of the existence of the Health Insurance Marketplace and other aspects of the Affordable Care Act.

In addition, you will probably be receiving marketing materials from insurers that offer plans in your state’s Health Insurance Marketplace. **PH**

# Q&A

## Participants on Self-Pay Coverage

### I'm about to lose DGA–PHP earned coverage. What are my coverage options?

You have up to three options:

- ▶ **DGA–PHP COBRA coverage.** When your earned coverage ends, you and your dependents are entitled to 18 months of COBRA coverage through the DGA–PHP. You will not receive a federal subsidy for DGA–PHP COBRA coverage, regardless of your income level.
- ▶ **DGA–PHP Extended Self-Pay coverage.** If you are eligible for Extended Self-Pay coverage, you are entitled to up to five years of coverage under the DGA–PHP. You will not receive a federal subsidy for DGA–PHP Self-Pay coverage, regardless of your income level.
- ▶ **Coverage through the Health Insurance Marketplace.** Depending on your income level, you may be eligible to receive a federal subsidy to offset the cost of your coverage.

For more information on the types of coverage available through the Health Insurance Marketplace, including a brief comparison between DGA–PHP coverage and coverage purchased through the Marketplace, please see the chart on page 3.

### Can I continue my COBRA or self-pay coverage after the Health Insurance Marketplace goes into effect on January 1?

Yes.

### When can I enroll for coverage through the Health Insurance Marketplace?

The initial open enrollment period is October 1, 2013 to March 31, 2014.

After that, you would be eligible to enroll during a special enrollment period triggered by certain events, including:

- ▶ Your DGA–PHP earned coverage ending;
- ▶ Your other job-based health coverage ending;
- ▶ Marriage, divorce, or birth or adoption of a child.

### How do I enroll for coverage through the Health Insurance Marketplace?

Starting on October 1, you can go to the website for your state's Health Insurance Marketplace and fill out an application online. To find your state's Health Insurance Marketplace, go to [www.healthcare.gov](http://www.healthcare.gov) and click on the **Get Insurance** tab.

### I'm applying for Marketplace coverage. Where can I get the information requested regarding my employer coverage?

By October 1, you should receive a **Notice to Employees of Coverage Options** from each of your employers. This notice will contain the information that is requested in the application.

In addition, you can download the **DGA–PHP Health Insurance Marketplace Assistance Sheet**, which will be available at [www.dgaplans.org](http://www.dgaplans.org) prior to October 1. This sheet will walk you through all of the required steps for filing your Health Insurance Marketplace coverage application.

### Can I enroll in coverage through the Health Insurance Marketplace even if I have a pre-existing condition?

Yes. Starting January 1, 2014, the Affordable Care Act prevents insurers from denying coverage based on a pre-existing condition.

CONTINUED ON NEXT PAGE

## When my DGA–PHP coverage ends, when should I enroll in Marketplace coverage?

If your coverage ends mid-year, you have 60 days to enroll in Marketplace coverage. If you miss this 60-day window, you may be required to wait until the Marketplace’s next annual open enrollment window.

## When is the Marketplace’s open enrollment window?

The Marketplace’s initial open enrollment window, for coverage in 2014, is October 1, 2013 to March 31, 2014.

For 2015 and later years, the open enrollment window will be October 15 to December 7 of the previous year.

## If I don’t enroll in health coverage after my DGA–PHP coverage ends, when will I incur a penalty?

To avoid incurring a penalty under the Affordable Care Act, you and your dependents must generally not go longer than three months without insurance coverage.

## Will I need a HIPAA certificate to apply for coverage through the Marketplace?

No. HIPAA Certificates will no longer be required to purchase health insurance.

## Can I purchase just dental, prescription drug or vision coverage through the Marketplace?

The Affordable Care Act does not require that stand alone dental, prescription drug or vision coverage be offered through the Marketplace. However, some states may offer this coverage through their Marketplace (for example, the California Marketplace will offer stand alone dental plans for children). You should check your state’s Marketplace to see what options are available.

## If I qualify for DGA–PHP coverage in the future, when should I cancel my Marketplace coverage?

You should check with your insurer to confirm its guidelines and time frames for cancelling coverage.

Before you cancel your coverage, you should confirm with our office that you have qualified for health coverage. We typically send out open enrollment letters to new participants approximately one month prior to their coverage beginning.

If you believe that you will soon be eligible for Health Plan coverage, but have not received anything from us, you can call our Eligibility Department at (877) 866-2200, Ext. 402 and it can inform you of your eligibility status.

## How does the federal health insurance subsidy work?

When you apply for coverage through the Health Insurance Marketplace, you will estimate your 2014 household income. If your estimated income is less than four times the Federal Poverty Level for the size of your household, you will likely be eligible to receive a subsidy from the federal government to offset the cost of your coverage.

The government will pay the subsidy directly to your insurer every month.

If you are eligible for DGA–PHP earned coverage, you generally will not qualify for a subsidy through the Health Insurance Marketplace.

## What are the income limits for receiving a subsidy?

The chart below lists the maximum 2013 income to receive a subsidy (*i.e.*, four times the Federal Poverty Level), based on the number of people in your household. These rates will be adjusted for inflation in 2014.

Number of People	4x Federal Poverty Level
1	\$45,960
2	\$62,040
3	\$78,120
4	\$94,200
5	\$110,280
6	\$126,360
7	\$142,440
8	\$158,520

The amount of your subsidy is determined on a sliding scale: the higher your income, the lower the subsidy.

CONTINUED ON PAGE 6

### **How do I know if I'm eligible for a subsidy if I haven't earned my 2014 income yet?**

Your 2014 income is generally estimated based on your 2012 income tax returns. But if you know that your 2014 income will be different, you should enter your best estimate.

### **What if I earn more or less than my estimated 2014 income?**

If you receive a subsidy and your 2014 income is higher than estimated, you will have to pay back overpaid subsidies when you file your taxes.

If your income is lower than estimated, you may be eligible to receive a tax credit for the amount of the subsidy that you would have received.

### **My spouse and I file our income taxes separately. Are we eligible to receive a subsidy?**

No. You and your spouse must file a joint tax return to be eligible for a subsidy.

### **Is everyone required to buy insurance?**

No. The ACA excludes some groups from the requirement to purchase health insurance, including:

- ▶ Individuals who have been uninsured for less than three months;
- ▶ Individuals with religious objections;
- ▶ Native Americans;
- ▶ Individuals for whom the least expensive coverage option through their Health Insurance Marketplace would cost more than 8% of their annual income; and
- ▶ Individuals not required to file an income tax return.

### **What happens if I don't buy insurance?**

When you file your 2014 tax return, you will be asked to provide proof of health insurance in 2014. You will be fined \$95 or 1% of your income (whichever is higher) if you cannot provide proof of

insurance. The amount of the fine increases each year and will be \$695 or 2.5% of your income in 2016. The fines are smaller for dependent children.

### **Do my employers have to pay a penalty if I don't qualify for DGA-PHP coverage?**

The Obama Administration delayed the Affordable Care Act's employer mandate penalty provision, which assessed a penalty against large employers that do not offer health insurance to their full-time employees. This penalty provision, originally scheduled to take effect on January 1, 2014, will go into effect on January 1, 2015.

In addition, before the Administration delayed the employer mandate penalty, there was a transition rule in place for 2014 that affected the DGA-PHP and other multi-employer health plans. Under the rule, a signatory employer would generally not be subject to a fine if an employee did not qualify for health coverage provided the employer is required to make health contributions on behalf of the employee pursuant to a collective bargaining agreement, and that coverage meets the Affordable Care Act's affordability and minimum value requirements. The DGA-PHP meets the Affordable Care Act's affordability and minimum value requirements.

We do not know if the rule will be extended beyond 2014.

### **Where can I get more information on Affordable Care Act and the Health Insurance Marketplace?**

- ▶ **healthcare.gov.** This is the federal government's website for addressing questions related to the Affordable Care Act and the Health Insurance Marketplaces.
- ▶ **ahirc.org.** The website for the Artists' Health Insurance Resource Center, a program established by the Actors Fund dedicated to helping artists get affordable, quality health insurance and health care.
- ▶ **actorsfund.org.** The website for The Actors Fund, a non-profit human services organization dedicated to meeting the needs of professionals in film, theater, television, music, opera and dance. **PH**



# Q&A Participants on Retiree Coverage

## What should I do when the Health Insurance Marketplace goes into effect on January 1?

If you are covered under the DGA–PHP’s retiree coverage, you don’t need to do anything. Your retiree coverage meets Affordable Care Act requirements.

In addition, if your spouse or dependents do not have health insurance, you may be required to elect or obtain health coverage for them to avoid a penalty under the Affordable Care Act.

## I am a pre-Medicare retiree. Can I opt out of DGA–PHP retiree coverage in favor of coverage through the Marketplace?

You can drop retiree coverage at any time, **but if you drop your retiree coverage you will not be able to resume it again in the future.**

However, it does not make financial sense to drop DGA–PHP retiree coverage in favor of Marketplace coverage. Your DGA–PHP retiree coverage is less expensive than coverage provided through the Marketplace, and offers much greater access to doctors and hospitals with lower out-of-pocket costs.

## I’m covered under Medicare. How does all of this affect me?

You already receive comprehensive care from Medicare and are not required to purchase alternate coverage through the Marketplace.

## I’m covered under Medicare. Can I purchase supplemental health insurance through the Marketplace?

Currently, it does not appear that supplemental coverage will be available through the Marketplace. In addition, it probably does not make financial sense to purchase coverage through the Marketplace, as most of your medical costs will already be covered through the combination of Medicare and the DGA–PHP. **PH**

## Spotlight on Benefits

Volume 21 | Number 2 | Summer 2013

Spotlight on Benefits is published up to four times a year for the benefit of Pension and Health Plans’ participants.

## DGA-PRODUCER PENSION & HEALTH

Directors Guild of America-Producer  
Pension and Health Plans  
5055 Wilshire Boulevard, Suite 600  
Los Angeles, CA 90036

[www.dgaplans.org](http://www.dgaplans.org)  
[communications@dgaplans.org](mailto:communications@dgaplans.org)

(877) 866-2200

---

Jim Mendes  
Manager, Communications

Rachel Desilets  
Communications Editor

DeLon Howell  
Communications Editor

---

The Pension and Health Plans were created as a result of the Directors Guild of America’s collective bargaining agreements with producer associations representing the motion picture, television and commercial production industries.

The DGA-Producer Pension and Health Plans are separate entities from the DGA and are administered by a Board of Trustees made up of DGA representatives and Producers’ representatives.

**DGA-PRODUCER**  
**PENSION & HEALTH**

5055 WILSHIRE BOULEVARD, SUITE 600  
LOS ANGELES, CALIFORNIA 90036  
ADDRESS SERVICE REQUESTED



**Visit Us Online**

[www.dgaplans.org](http://www.dgaplans.org)

**Presorted First Class**  
U.S. POSTAGE  
**PAID**  
LOS ANGELES, CA  
PERMIT NO. 31327