

ACA GLOSSARY

ACCOUNTABLE CARE

ORGANIZATIONS Networks of hospitals, doctors' offices, and various physicians that work together to give more efficient medical care in order to save money. The ACA relies heavily on these networks and has faith in their ability to save.

APPLICABLE LARGE

EMPLOYER (ALE) An employer that employed an average of at least 50 full-time employees on business days during the preceding calendar year. A full-time employee generally includes any employee who was employed on average at least 30 hours of service per week and any full-time equivalents.

BENCHMARK PLAN Second-cheapest or "silver" health care plan made available by the ACA.

BUNDLED PAYMENT Payment procedure that gives doctors a fixed amount of money for treating a particular ailment or illness. These are used for Medicare and Medicaid services in some states.

CADILLAC TAX A 40% tax on any coverage that goes beyond \$10,200 for individuals and \$27,500 for families. It's designed to discourage businesses from overusing medical care by providing too much coverage. Large employers should keep an eye out, because this tax will come into effect in 2020.

CAFETERIA PLAN This type of plan allows your employees to pick and choose their benefits in the same way you choose your lunch in the cafeteria.

COMMUNITY RATING You can no longer be charged higher premiums just because you have health problems. Now, the price of your coverage can only change based on how many people you're covering (just you vs. your whole family), how old you are, and whether or not you use tobacco.

DEATH SPIRAL Critics fear that this will be the outcome if everyone waits until they are sick to sign up for healthcare. Since health insurance has to

cover them, these companies could possibly end up only with sick clients. To avoid this, the ACA includes the individual mandate policy (see below).

DEFINED CONTRIBUTION

(DC) HEALTH PLANS DC health plans give employers the choice to contribute a set amount toward employee health care. An employee is responsible for finding and buying their own health care, but can use DC dollars to offset health care premiums.

DOUGHNUT HOLE The old Medicare policy that had seniors spending \$3,610 out of pocket before health insurance picked up the tab. The ACA got rid of this, and it should be fully phased out by 2020.

EMPLOYER MANDATE This mandate fines businesses that do not offer health coverage to their employees. If your company has 50 or more full-time workers (or the equivalent of this when factoring in part-time/seasonal workers) you must pay \$2,160 annually (as indexed

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for 2016) for every employee you have after over 30 (meaning employee #31, 32, etc.) If you do offer health coverage, you must meet the ACA's affordability test which states a worker should not have to pay over 9.5 percent of his/her income for self-only insurance, and the plan needs to cover at least 60% of the costs. If the plan you are offering your employees doesn't meet both of these requirements, you must pay a \$3,240 annually (as indexed for 2016) for each of your workers that turns to a health exchange for coverage.

FEE-FOR-SERVICE PAYMENT

How the ACA wants to charge your physician. Instead of doctors getting paid according to how many tests and procedures they run on you, the ACA wants to pay them based off of better, efficient medical care. Hopefully this will deter your doctor from performing unnecessary tests while you're in the doctor's office or hospital.

FORMS 1094/1095 The ACA requires insurers, self-insuring

employers and other parties that provide minimum essential health coverage to report information on this coverage to the IRS and to covered individuals.

FULL-TIME EMPLOYEE (ACCORDING TO ACA)

Anyone who works 30 hours or more per week.

GUARANTEED ISSUE The term that says insurers can't turn someone away because of preexisting health issues. This is a big change, and one of the main reasons the APA got as much support as it did.

HEALTH INSURANCE

EXCHANGES Also known as Health Insurance Marketplaces, these are online marketplaces in which consumers can shop for health insurance by comparing benefits, prices and plan provisions.

INDIVIDUAL MANDATE Part of the ACA that requires everyone to get health coverage. You are subject to penalties if you do not cooperate with this mandate.

INDIVIDUAL MEMBERSHIP

ASSOCIATIONS Policy that allows civic groups to receive group healthcare coverage. The idea behind this is to utilize groups that people may join anyway, such as churches and other organizations, and use them as an opportunity to join group health plans.

PATIENT-CENTERED OUTCOMES RESEARCH

INSTITUTE An organization created by the ACA that conducts research on clinical effectiveness, such as reviewing and comparing treatments for various medical conditions. You'll see a \$2.17 annual fee (for policy or plan years ending on or after October 1, 2015 and before October 1, 2016) in your health plan that's used to support it.

PREVENTIVE SERVICES The more proactive health benefits blood pressure, cancer, or cholesterol screenings and vaccinations. The ACA requires them to be included in all health plans.

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SHOP EXCHANGES Small business health exchanges. A place where businesses can compare health plans and buy them at competitive prices. These are designed to help the small guys (businesses with 50 employees or less) by getting them into bigger groups, hopefully taking the burden off of large health expenses for their employees. SHOP is something you enroll for.

TAX CREDIT An amount of money that an individual is allowed to subtract from their taxes. You apply to receive this; if your income is low enough, your request will be granted. As your income increases, your tax credit decreases.

WAITING PERIOD A period of time that an individual must wait either after becoming employed or submitting an application for a health insurance plan before

coverage becomes effective and claims may be paid. Premiums are not collected during this period.

VARIABLE-HOUR EMPLOYEES Employees who work a varied amount of hours per week and it's unknown as of their date of hire whether or not they will work over 30 hours per week.