



1199SEIU Benefit and Pension Funds

The ACA and Low-Wage Workers Who Receive Employer-Sponsored Coverage

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Low-Wage Workers Receiving Benefits through an Employer

- If an employer offers its workers coverage that is:
 - Below 60% actuarial value (AV) or
 - Costs more than 9.5% of family income

Then workers may be eligible for a subsidy on the Exchange, dependent on family size/income.

Low-Wage Workers Receiving Benefits through an Employer

- Subsidized Exchange coverage can be comprehensive and affordable
 - Example: Individuals earning up to 200% FPL (\$20,000) will pay \$59.25 per month for MetroPlus
 - Annual deductible, \$250; office visit co-pays, \$15/specialist, \$35
 - Annual out-of-pocket limit, \$2,000

Low-Wage Workers Receiving Benefits through an Employer

- Workers enrolled in employer-sponsored plans providing “Minimum Essential Coverage” (MEC) are not eligible for a subsidy – even if the AV is below 60%
 - MEC is defined as “Amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or amounts paid for the purpose of affecting any structure or function of the body”
- But they will not have to pay a penalty
- Not applicable to plans covering only “excepted” benefits

Low-Wage Workers Receiving Benefits through an Employer

- Workers may be automatically enrolled in some type of partial coverage under 60% AV that in fact bars them from the subsidy
- Plans need to ensure these workers have the ability to opt out of coverage (w/in 30 days)