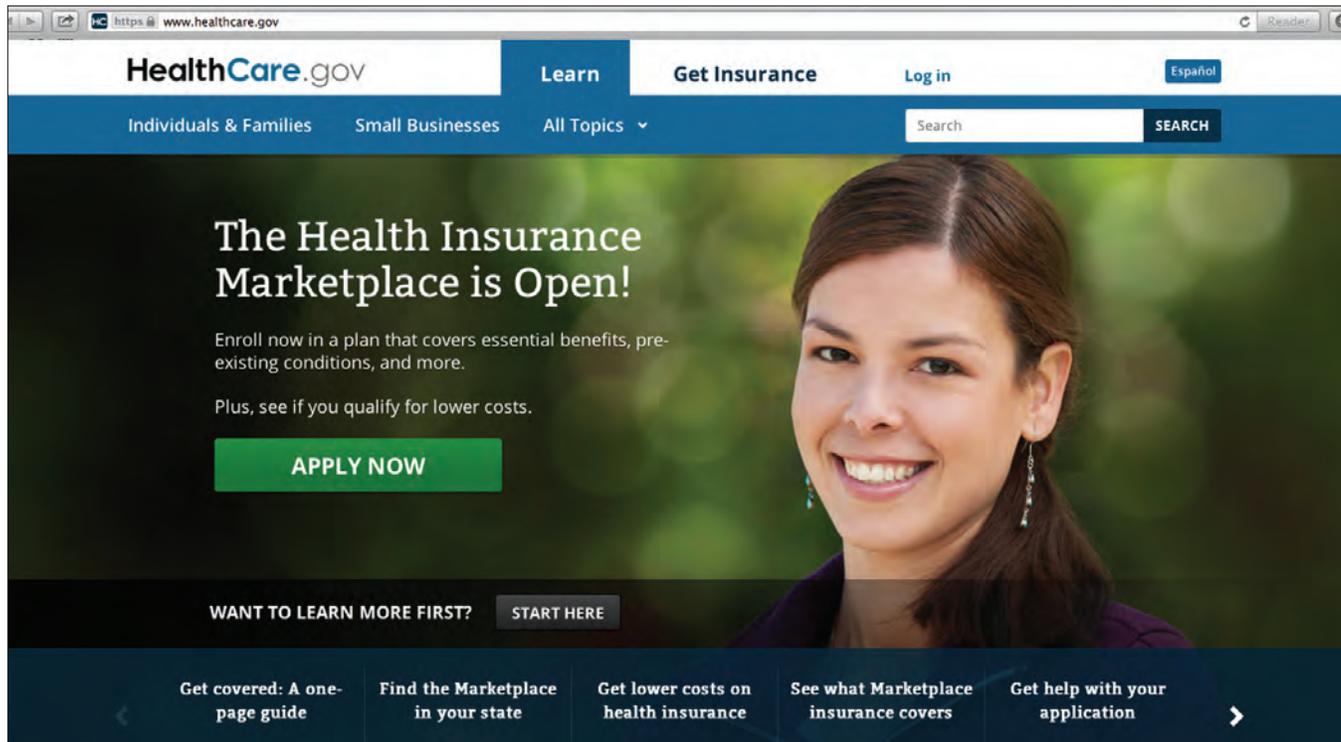


The Affordable Care Act May Help Smaller Cities and RWDs Provide An Option To Employees for Affordable Health Insurance



This photo, taken from the Internet, shows the main landing web page for www.HealthCare.gov.

Regardless of anyone’s political opinions about the Affordable Care Act (ACA), also referred to by some as “ObamaCare”, the Act was passed by Congress and was signed into law. And while there are some who still do not agree with it after it was upheld by the Supreme Court, America is moving on.

So why write about this topic in the KRWA magazine? I’m not well-informed on the topic. But, I write about it because it’s important that people pay attention to the timelines that are in the law and second, everyone should by now understand that the law is not going to go away, regardless of some of the political maneuvering that continues to take place. A September 18 – 25, 2013 survey by the Kaiser Family Foundation found that 74 percent of the uninsured were not aware that the health insurance marketplace exchanges would open on October 1 and 64 percent of the general public was unaware of that fact.

Unless you have been in a catastrophic health care incident, you may not fully appreciate just how financially devastating such an experience might be. I do understand

that, but like many others, I was fortunate to have good health insurance. The guy who doesn’t would likely have died, or if care had been provided, would have been forced into bankruptcy.

KRWA has tried to help its members (and non-members) learn about the law. In 2011 and again in 2013, KRWA asked Matt All, former General Counsel to Kansas Governor Sebelius and subsequently, a chief officer with Kansas Blue Cross Blue Shield, to speak at KRWA’s annual conferences. Both of Matt’s presentations were reprinted in *The Kansas Lifeline*. Those are still posted on the KRWA Web site in the July 2011 and July 2013 issues. (Go to www.krwa.net, then “online resources” and then “Lifeline Magazine”. They are worth a review.)

I recall after Matt’s 2011 presentation, during the annual meeting of KRWA membership, several people blasted KRWA for allowing a “political speech” at the conference – and they let it be quickly known how they felt about “that government health care”. Well, first of all, the presentations were not “political”. And there’s something ironic about the

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complaints. First, they were made by people who only repeated what they wanted to hear about the law. I visited with both after that membership meeting in 2011. The first acknowledged that he was a veteran and had received both cardiac care and had a hip replacement, courtesy of the VA. The second gentleman was a cardiac patient and was on Medicare. So much for the complaining about being opposed to “government health care”!

The ACA may not have all the answers that everyone is looking for. But far too many falsehoods have been spewed out of talk radio and certain TV pundits. The nonsense jabber about death panels, etc., is past pathetic. How a supposedly educated society even tolerates such chatter is baffling. One lady recently was asked on TV what she thought of the Health Care Reform Act. She said she was all for it. Then the interviewer asked, “What is your opinion about Obamacare? With that she went off on a verbal tangent. When the interviewer told her that they were the same thing, she

argued that was not the case. It’ll take more than one interview and five friends to change stupid like that.

For as long as I have been working with KRWA, which is now more than 30 years, a major concern that small towns and RWDs have had is how to help their employees obtain affordable health insurance. KRWA has tried putting groups together. But the days of the small groups have been over for many years. Just several years ago, KRWA spent a lot of time, as did potential service providers, evaluating setting up a professional employee organization that would allow for individual units of government to access a group health insurance program. That did not develop because most local governments did not want to outsource their payroll services.

So today there may well be an option that will work. It’s the Affordable Care Act. This law could be the best option ever for small towns and RWDs to help their employees obtain health insurance. How can they do this? Well, even Blue Cross Blue Shield acknowledges that many smaller groups (including the group that KRWA has for its employees) might be terminated by the employer because of the availability of the health care marketplace exchanges. How will that happen? Depending on what the employer decides (KRWA, a local city, a water district, a smaller company), may discontinue the group plan that they have and the employer organization may just award an amount of money each month that the employee can apply towards health insurance. The employee then purchases the plan that he/she selects through the marketplace. In some cases, depending on salary level, there may be further subsidies to the employee.

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In general, employees who are offered insurance through work are not eligible for subsidized exchange coverage, so long as their insurance meets specified requirements. An applicant would only be eligible for subsidized exchange coverage if his/her income is between one and four times the federal poverty level and the applicant would have to pay more than 9.5 percent of the household income for his/her own coverage through the insurance offered by his/her employer.

People who are on Medicare should also be aware that they are simply not affected by the ACA other than that some of their benefits are being enhanced.

Other interesting aspects of the ACA

The open enrollment period for 2014 lasts six months; it began October 1, 2013 – so consumers should not feel pressured to decide immediately. No one has to make a quick

Affordable Care Act Town Hall Meeting Dates, Locations

Kansas Blue Cross Blue Shield has been holding town hall meetings to explain the Affordable Care Act and to provide other information regarding health insurance options.

- ◆ Dates and locations for meetings being held after November 1, 2013 are as follows:
- ◆ November 4, Independence: Woods Family Community Center, 410 N. Penn Ave.
- ◆ November 5, Pittsburg: Room B-7, Memorial Auditorium, 503 N. Pine
- ◆ November 7, Topeka: Blue's Cafe' Dining room, Blue Cross and Blue Shield of Kansas, 1133 SW Topeka Blvd.

decision. But people should also make sure they have reliable information. Up to now, many have not – but that will hopefully change as the Internet access is improved and more people start to hear about their neighbors or relatives signing up. As of October 6 when this copy was being finalized, more than eight million Americans had tried to



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access the site www.healthcare.gov. Apparently the health reform law some have worked to repeal is turning out to be very popular with millions of Americans.

For the first time, many people will be filling out applications without worrying they will be denied coverage or charged more because they have a pre-existing condition such as diabetes, cardiac issues, high blood pressure or a history of cancer.

Policies will cover “essential benefits,” including emergency room care and prescription drugs. And those with lower incomes are eligible for federal subsidies to help pay for their insurance.

According to information provided through various sources, if the applicant’s household’s modified adjusted gross income is from 100 to 400 percent of the federal poverty level (that’s \$11,490 to \$45,960 a year if filing as an individual and \$23,550 to \$94,200 for a family of four), the applicant may be eligible for a premium tax credit.

People can buy coverage on the exchanges when they don’t have coverage through an employer.

Whether or not the applicant pays full price or qualifies for a premium tax credit depends on the modified adjusted gross income, which is based on the applicant’s latest tax return (and yes, the exchanges will check the applicant’s return).

According to the www.healthcare.gov Web site, the modified adjusted gross income is basically the applicant’s “adjusted gross income,” which can be found on line 37 of the 1040 tax return form. But it requires that the applicant add back certain items like nontaxable Social Security income, tax-exempt interest and foreign-earned income. The figure also includes income from items like dividends, interest, real estate and retirement account withdrawals. So even if you do not have much earned income, but have significant income from other sources, you obviously won’t qualify for financial assistance.

Premium tax credits and cost-sharing subsidies are generally based on the household income, which includes the spouse

and any dependents for whom the applicant files a personal exemption and who also earn enough money to file a return.

There are a variety of sources of information available about the ACA. Various meetings are being held in communities to help explain the new law. KRWA will make sure that there will be knowledgeable resources available at the 2014 KRWA conference in Wichita next March too; we will also try to prepare other materials and send to smaller cities and RWDs in the meantime. If possible we’ll try to schedule some presentations where cities and water districts can attend to learn how the ACA might impact them and their employees. Perhaps other organizations are or will do that same.

Meanwhile, anyone interested can obtain an estimate of the costs by using the online calculator by the Kaiser Family Institute. The Internet address is <http://kff.org/interactive/subsidy-calculator/>.

Lastly, what if the Affordable Care Act works? What if it finally helps ensure that the people of this country can see a doctor, fill a prescription and avoid bankruptcy due to a huge hospital bill? That seems to be a reasonable goal that everyone should be working to achieve.

Elmer Ronnebaum is KRWA General Manager; he has been employed by KRWA since 1983. He served seven years on the KRWA board of directors prior to that. He also helped develop a large RWD and served for fourteen years on a water district board of directors.



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