

Frequently Asked Questions

Health Care Reform and the Health Insurance Marketplace

Health Care Reform – An Overview

1. What is Health Care Reform?

A. The Affordable Care Act (ACA), more commonly known as Health Care Reform, helps provide access to the health care system for Americans. Several components of the law have already taken place. For example, Macy's, Inc. has already complied with required changes that extended coverage to associates' dependent children up to age 26, and expanded coverage for essential benefits such as preventive screenings and immunizations. This fall, the ACA provides for coverage through the Health Insurance Marketplace.

2. How does Health Care Reform impact me? How does it impact Macy's, Inc.?

A. Health Care Reform has many complexities affecting not only employers, insurance companies, and providers, but also you and your family. Because the impact can vary depending on your personal situation, you should visit healthcare.gov to find answers to your specific questions.

Macy's, Inc. has already made legally required updates to the medical options we offer to comply with Health Care Reform, and will continue to monitor the rules to remain compliant going forward.

The Basics of the Health Insurance Marketplace

3. When will the next anticipated Health Care Reform changes take place?

A. The Health Insurance Marketplace, also known as the "Exchanges," began accepting applications for medical coverage on Oct. 1, 2013 for coverage effective as early as Jan. 1, 2014. The initial open enrollment period runs through March 31, 2014. Visit healthcare.gov to find more information or to enroll.

4. Tell me more about how the Marketplace operates.

A. Each state is responsible for implementing its own Marketplace, entering into a state-federal partnership Marketplace, or allowing the federal government to set up a Marketplace on the state's behalf. The health plans offered, eligibility, enrollment process, and on-going payment of premiums may vary from state to state.

5. Who is eligible for Marketplace coverage?

A. Participants living in the Marketplace service area, who are U.S. citizens or nationals, or non-citizens who are lawfully present in the U.S. for the entire period for which enrollment is sought, and are not incarcerated, are eligible for Marketplace coverage.

6. What type of coverage is offered through the Marketplace?

A. There are various levels of coverage you can choose from depending on your personal situation and needs. The offerings range from "bronze" to "platinum" coverage levels; there are products that offer lower premium costs up front with higher out-of-pocket costs when services are received, to products with higher premium costs up front with lower out-of-pocket costs when services are received. All options are offered on an after-tax basis only. All plans are required to provide the same set of essential benefits, for example, preventive care. Many plans also offer additional benefits as well, so be sure to compare carefully.

Please note: If you are considering enrolling in a plan offered through the Marketplace, be sure to check whether your physicians and hospitals are in the plan's covered provider network. Plans are required to provide a directory listing.

7. What factors might impact my cost for Marketplace coverage?

A. There are several possible factors - a few include: the size of your family, your household adjusted gross income, affordability, coverage you may be eligible for through an employer, and eligibility for other programs

This notice provides general information on health care reform. The applicability and impact of the Affordable Care Act can vary widely based on specific facts. As such, this notice should not be construed as legal or tax advice and should not be used as a substitute for consultation with your own legal, tax or other professional advisor.

such as Medicaid. Government subsidies may also be available. Visit healthcare.gov and you will be directed to the appropriate information based on how you answer a series of specific questions.

8. Does Macy's, Inc. administer any aspect of the Marketplace coverage?

A. No. The medical plans offered are administered solely through the Marketplace. Macy's, Inc. will not administer any enrollment, premium collection or paycheck deductions, or any other components of the program on behalf of the Marketplace.

9. When is the Marketplace enrollment period and when does coverage go into effect?

A. Enrollment began Oct. 1, 2013 and runs through March 31, 2014. Coverage may become effective as early as Jan. 1, 2014. Your coverage effective date is based on when you enroll and pay your first month's premium. Generally, you must enroll and pay your premium by the 15th of the month for your coverage to begin on the first day of the next month. For example, enrollment and premium is due by Dec. 15, 2013 for coverage effective Jan. 1, 2014. If you enroll and pay for your premium after the 15th of the month, coverage will not begin until the first day of the second month. Coverage is generally not effective on a retroactive basis. Visit healthcare.gov to find more information or to enroll.

10. Where do I go to apply for Marketplace coverage?

A. Visit healthcare.gov to enroll using an online application, or to find a printable application to apply by mail. To enroll with the help of a Navigator or other qualified helper, utilize the live chat option on healthcare.gov or call 1-800-318-2596 (English, Spanish, and 150 additional languages available).

11. If I miss the upcoming enrollment for the Marketplace, will I still be able to enroll in Marketplace coverage?

A. After the initial enrollment period ends, individuals can only sign-up for Marketplace coverage if they have a qualified change in status (for example: marriage, divorce, birth, adoption or placement for adoption, individual or spouse gains or loses health coverage at work, etc.).

12. What is the Notice of Marketplace Coverage Options (the "Notice") that I received in late September and will I be receiving a copy?

A. The Notice contains information about your coverage status through Macy's, Inc., which you will need if you are applying for coverage through the Marketplace. Macy's, Inc., as well as many other employers, were required to provide the Notice to all active associates, regardless of status or medical benefits eligibility, on or before **Oct. 1, 2013**. Furthermore, all new hires after Oct. 1 will also receive the Notice within approximately 14 days of hire. Because many other employers are subject to these same requirements, if you have other employment outside of Macy's, Inc. or you have dependents who are employed, it's possible you may receive several Notices. Macy's, Inc. is not required to provide Notices to dependents.

Associates hired on or after Sept. 19, 2013, will receive the Notice as a part of the on-boarding process through online forms. See your HR representative if you did not receive a copy.

Keep the Notice in a safe place for future reference! If you misplace your Notice or need additional information when applying, visit the Health Care Reform page on IN-SITE. You may also want to log in to IN-SITE to make sure your personal contact information is up to date to ensure that you receive future important mailings in a timely manner.

13. The Notice of Marketplace Coverage Options form has a box which if checked indicates, "[Macy's] coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages." Why is the box not checked?

A. Macy's, Inc. offers coverage that meets the minimum value standard in all locations. However, while the Company intends that coverage is affordable for associates, the question is asking whether coverage is affordable as defined by the Affordable Care Act (ACA). Depending on an associate's income, under the ACA, not everyone's coverage may meet this legal definition.

14. What information will I need to apply through the Marketplace?

A. You will be asked to provide information from the Notice of Marketplace Coverage Options you will receive in the mail from Macy's, Inc. You may be asked to provide additional information about your coverage options through Macy's, Inc.; please visit the Health Care Reform page on IN-SITE to obtain your specific information. You may also need pay stubs, your W-2s, and information about other income you may have.

15. Do I have to enroll in medical coverage? Will I be penalized if I don't obtain coverage?

A. Choosing to enroll in medical coverage through Macy's, Inc., the Marketplace, private coverage, or any other type of coverage, is a personal decision. Securing medical coverage may offer peace of mind and it's an important factor in maintaining overall health and well-being.

The ACA requires each individual to have health coverage or qualify for an exemption. The IRS plans to assess penalties to individuals on their 2014 income tax returns if they do not obtain coverage in 2014. This is known as the "individual mandate." Please refer to healthcare.gov or check with your tax advisor to see when and how in 2014 the penalty may apply to you.

16. How much is the IRS penalty?

In 2014, the IRS penalty is \$95 per adult in your family, or 1% of your yearly household income, whichever is greater. The penalties are planned to increase each year.

17. What if I can't afford the coverage offered through the Marketplace?

A. Depending on your personal situation, there may be government subsidies available. Visit healthcare.gov for more information.

18. If I'm eligible for Medicaid, how does this impact my decision to enroll in the Marketplace?

A. Marketplace coverage is not available to individuals eligible for Medicaid. Visit healthcare.gov to determine your eligibility.

19. Do I need to take any action now to be prepared for the Health Insurance Marketplace enrollment?

A. If you are currently enrolled in medical coverage through Macy's, Inc. and you wish to keep your coverage, you do not need to do anything in order to maintain your current enrollment.

If you are currently enrolled in medical coverage through Macy's, Inc. and you wish to cancel your coverage, please call HR Services on or after Dec. 1, 2013 (but before March 31, 2014) in order to process your medical coverage cancellation.

If you are interested in learning more about the Marketplace, or applying for coverage, you should visit healthcare.gov.

20. How do I protect myself from potential health care Marketplace fraud?

A. The best way to avoid fraudulent health care websites is to go directly to healthcare.gov; from there you will be directed to links to the appropriate state websites.

21. Is the Health Insurance Marketplace available in Puerto Rico?

A. No. The Commonwealth of Puerto Rico chose to improve and expand Medicaid coverage rather than create a Marketplace for residents to obtain coverage. However, many of the changes required by the ACA are applicable to Puerto Rico residents. For example, basic health plan requirements, such as ending lifetime coverage limits and providing preventive care with no copays or coinsurance are applicable to Puerto Rico residents.

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The Macy's, Inc. Health Care Program

22. Will I lose my current medical coverage through Macy's, Inc.? Will there be any changes to the company-sponsored health care program?

A. As long as you meet the eligibility criteria for medical coverage, you will continue to be eligible for the company-sponsored health care program. Macy's, Inc. has no plans at this time to make changes to the medical options offered through the end of the current benefit plan year (June 30, 2014), unless required by law. Furthermore, medical coverage will continue to be offered to full-time associates who become newly eligible. The annual practice of reviewing and changing (if necessary) the medical options offered during the next Annual Enrollment will continue, and you will be notified of any changes in Spring 2014.

Remember, as of July 1, 2013, Macy's, Inc. discontinued the EssentialCare medical options as a result of Health Care Reform regulations. If you were a part-time associate enrolled in EssentialCare and you enrolled in a 100% employee-paid *Choice* option effective July 1, 2013, it's important to note your 100% *Choice* coverage will continue only through Dec. 31, 2013. In order to maintain medical coverage, you will need to obtain coverage through another source, such as the Marketplace, effective Jan. 1, 2014.

23. Are Macy's, Inc. associates eligible to enroll in coverage through the Marketplace?

A. Generally yes. Regardless of your current eligibility for, or enrollment in the Macy's, Inc. company-sponsored health care program, you may be eligible to enroll in coverage through the Marketplace. However, you will need to check your eligibility directly with the Marketplace; it's possible you may be ineligible for subsidies if you are eligible for coverage through an employer. Visit healthcare.gov for more information.

24. Can I cancel my current Macy's, Inc. medical coverage to enroll through the Marketplace?

A. Yes. You may cancel your medical coverage for yourself and/or your dependents. If you have **after-tax** medical coverage through Macy's, Inc., you may cancel your coverage at any time for any reason. Please call HR Services to process your request. If you have **pre-tax** medical coverage through Macy's, Inc., you have a one-time opportunity to cancel your medical coverage between Dec. 1, 2013 – March 31, 2014. Please call HR Services on or after Dec. 1, 2013, but before March 31, 2014 if you want to cancel your pre-tax medical coverage. Please refer to the chart below for effective dates of cancellation for pre-tax medical coverage.

Health Insurance Marketplace		HR Services and IN-SITE			
For Marketplace Coverage effective	Associate must enroll and pay the 1st month's premium by	For Macy's, Inc. coverage to end on	Associate must call HR Services between		Associate must log in to IN-SITE and cancel coverage
1/1/2014	12/15/2013	12/31/2013	12/1/2013 and 12/15/2013	AND	Log in no earlier than 48 hours after calling but no later than 12/31/2013
2/1/2014	1/15/2014	1/31/2014	12/16/2013 and 1/15/2014	AND	Log in no earlier than 48 hours after calling but no later than 1/31/2014
3/1/2014	2/15/2014	2/28/2014	1/16/2014 and 2/15/2014	AND	Log in no earlier than 48 hours after calling but no later than 2/28/2014
4/1/2014	3/15/2014	3/31/2014	2/16/2014 and 3/15/2014	AND	Log in no earlier than 48 hours after calling but no later than 3/31/2014
5/1/2014	3/31/2014	4/30/2014	3/16/2014 and 3/31/2014	AND	Log in no earlier than 48 hours after calling but no later than 3/31/2014

Remember, once you cancel coverage you generally cannot re-enroll until the next Annual Enrollment, unless you experience a qualified change in family status and call HR Services to request a change within 31 days of the qualifying change in family status event. It's also important to understand that if you are eligible for (but not enrolled in) affordable coverage available through an employer (such as through Macy's, Inc.), it's possible you may not be eligible for government subsidies to help pay for coverage through the Marketplace.

25. Am I allowed to cancel my non-medical, pre-tax benefits coverage through Macy's, Inc.?

A. No. The one-time opportunity to cancel coverage only applies to the medical options. Pre-tax coverage such as dental, life insurance, etc. cannot be cancelled until the next Annual Enrollment, unless you

experience a qualified change in family status and call HR Services to request a change within 31 days of the qualifying change in family status event. After-tax benefits can be cancelled at any time by calling HR Services.

26. If I am not currently enrolled in a Macy's, Inc. medical option but I am eligible for coverage, can I enroll in the company coverage at this time?

A. No. Regardless of the enrollment period taking place through the Marketplace, you, your spouse/partner, and/or dependents cannot enroll in Macy's, Inc. medical coverage until the next Annual Enrollment (for coverage effective July 1) unless you meet one of the following criteria: 1) you become newly eligible for coverage, or 2) you experience a qualified change in family status and call HR Services within 31 days of the qualifying change in family status event.

27. President Obama announced on Nov. 14, 2013 that insurers may renew certain health plans; this would allow people to keep pre-2014 health plans that were previously cancelled in order to comply with the ACA. Does this mean that Macy's, Inc. will bring back the EssentialCare plan?

A. No. The EssentialCare program is not eligible for extension under this guidance. When the EssentialCare program ended back on June 30, 2013, those who were enrolled in EssentialCare at that time were provided with an opportunity to enroll in an alternative Macy's, Inc. Aetna or Cigna *Choice* option through Dec. 31, 2013. As of Jan. 1, 2014, associates who enrolled in the *Choice* option will have the opportunity to obtain coverage through COBRA or the Marketplace.

Helpful Resources

Health Insurance Marketplace

healthcare.gov

Find the Marketplace that serves you. Some states run the Marketplace; in other cases the Marketplace is run by the federal government. Answer a few easy questions and you will be directed to information specific to you! The site includes videos, FAQs, and a live chat option!

1-800-318-2596 (toll-free call center)

English, Spanish and 150 additional languages available.

Medicaid and Children's Health Insurance Program (CHIP)

medicaid.gov

HR Services

1-800-234-MACY (6229)

For information regarding your current coverage options offered by the Company.

IN-SITE

Select "Benefits" then "Health Care Reform" to access FAQs, a link to healthcare.gov and helpful videos!