

TO: New Hires of the Los Rios Community College District
FROM: Nicole Keller, Employee Benefits Supervisor
SUBJECT: Health Insurance Marketplace Notice to New Hires

Key parts of the Affordable Care Act, also known as health care reform, went into effect January 1, 2014. When that happened, a new way to buy health insurance, referred to as the Health Insurance Marketplace came into effect. In California, the new option is called “Covered California.”

As of January 1, 2014, the health care reform law requires almost all Americans to have health care coverage, or pay a penalty. Some people **who do not have access** to affordable, minimum value health care coverage through their employer may be eligible for a federal subsidy to make buying insurance through the Marketplace more affordable. The savings these individuals would be eligible for depends on their total household income.

Individuals **who have health coverage available** through their employer that meets certain standards are not eligible for a tax credit through the Marketplace and may wish to enroll in their employer’s health plan. The plans offered by Los Rios meet the standards for an “affordable healthcare plan” under federal law. If you are offered qualifying health insurance coverage through Los Rios or another employer (*whether or not you choose to enroll*) you may not be able to receive a tax credit for coverage through Covered California.

Most U.S. employers are required to send the enclosed notice to employees to raise awareness of the new Marketplace and to help them understand how having access to their employer’s health care plan may limit their eligibility for tax credits in the Marketplace. Part A contains general information about the Marketplace and coverage and Part B contains information about the health coverage offered by Los Rios to eligible employees.

If you have questions about the Affordable Care Act and Covered California, please go to their website at www.coveredca.com or call them at (800) 300-1506. For additional questions about this memo, the attached notice or benefits offered by Los Rios, please contact the Los Rios Employee Benefits Department at (916) 568-3070.



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 11-30-2013)

PART A: General Information

When key parts of the health care law took effect in 2014, there was a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace began in October 2013 for coverage starting as early as January 1, 2014.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.¹

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution—as well as your employee contribution to employer-offered coverage—is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact _____.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

Note: Verb tense in paragraphs 1 and 2 updated by LRCCD after 1/1/14.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name		4. Employer Identification Number (EIN)	
5. Employer address		6. Employer phone number	
7. City	8. State	9. ZIP code	
10. Who can we contact about employee health coverage at this job?			
11. Phone number (if different from above)		12. Email address	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:
All employees.

Some employees. Eligible employees are:

- With respect to dependents:
We do offer coverage. Eligible dependents are:

We do not offer coverage.

If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

** Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, [HealthCare.gov](https://www.healthcare.gov) will guide you through the process. Here's the employer information you'll enter when you visit [HealthCare.gov](https://www.healthcare.gov) to find out if you can get a tax credit to lower your monthly premiums.