



## **RE: New Health Insurance Marketplace Coverage Options and Your Health Coverage**

To Athens State University Employees:

There is a lot of talk about healthcare reform today, and you will be hearing much more in the coming months.

**It is important to know that the Public Education Employees' Health Insurance Plan (PEEHIP) will continue to offer health coverage to our eligible employees. This coverage is an important part of our total compensation package.**

The Patient Protection and Affordable Care Act (ACA) requires employers subject to the Fair Labor Standards Act to provide the attached notice to all working full-time and part-time employees. The notice provides basic information about individual health insurance options that will be available through the Marketplace (also referred to as Exchanges) beginning in 2014. In Alabama, the Health Insurance Marketplace will be administered by the federal government.

The required notice also explains that some individuals may be eligible for federal subsidies to help pay for some of the cost of individual health insurance policies sold through a public exchange. The value of these subsidies will vary based on an individual's household income.

According to the ACA and IRS regulations, if an employee is eligible for an employer sponsored health plan, and that plan meets the government's definition of affordable, minimum value coverage, then the employee and any family members eligible for the employer plan are not eligible for the federal subsidies described in the attached notice, regardless of household income. **Coverage offered to you by PEEHIP meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.**

### **Important Note for Employees Who Are Eligible for PEEHIP Coverage:**

#### **Is PEEHIP coverage "affordable" to you according to ACA rules?**

The ACA defines "affordable" as a plan that requires an employee to contribute no more than 9.5% of their household income to participate in employee only coverage (single coverage).

- PEEHIP offers a plan that requires a monthly contribution of \$15 for single coverage for full time employees earning a full allocation.
- Note: Employees who qualify and apply for PEEHIP's Federal Poverty Level premium discount program will have a reduced premium of 10% up to 50% depending on your income.

Note: If you purchase a health plan through the Marketplace instead of accepting coverage offered through PEEHIP, you will lose the PEEHIP (employer) contribution to the PEEHIP offered coverage. Also, a health plan purchased through the Marketplace is not paid for with pre-tax dollars. Premium payments made through the Marketplace are made on an after-tax basis.

### **Important Note for Employees Who are Not Eligible for PEEHIP Coverage:**

If you are not eligible for PEEHIP coverage, you may want to review the attached notice and explore individual health insurance options available to you through a public exchange. Since you are not eligible for PEEHIP coverage, you may qualify for the federal subsidies described in the notice.

For further information on the ACA or the Health Insurance Marketplace, call 1-800-318-2596 or visit [www.healthcare.gov](http://www.healthcare.gov).



# New Health Insurance Marketplace Coverage Options and Your Health Coverage

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## PART A: General Information

When key parts of the health care law take effect in 2014, there will be 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 begins 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.<sup>1</sup>

**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 available on the PEEHIP website at [www.rsa-al.gov](http://www.rsa-al.gov) or contact the Public Education Employees' Health Insurance Plan (PEEHIP) toll free at 1-877-517-0020

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

<sup>1</sup> 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.

## 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. Eligible employees are:
  - Some employees. Eligible employees are:  
**Full-time employees and permanent part-time employees employed in any public institution of education within the state of Alabama that provides instruction for any combination of grades K - 14 exclusively, under the auspices of the State Board of Education. A permanent part-time employee must agree to payroll deduction for a pro-rata portion of the premium cost for a full-time employee based on the percentage of time the permanent part-time worker is employed.**
- With respect to dependents:
  - We do offer coverage. Eligible dependents are:
    - An employee's spouse as defined by Alabama law to whom the employee is currently and legally married (excludes divorced or common-law spouses).
    - A child under the age of 26 who is the employee's biological child, legally adopted child, stepchild, or foster child placed with the employee by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. Any other children such as a grandchild, must meet the same requirements as a foster child.
    - A dependent child of any age incapable of self-sustaining employment because of a physical or mental handicap and is chiefly dependent on the employee for support. The handicap must have existed prior to the time the child attained age 26 and was covered as a dependent on the employee's PEEHIP policy before age 26.
  - 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.

• 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 (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986)