



To: Eastern University Employees

RE: New Health Insurance Marketplace Coverage Options

In 2014, the health care reform law creates a new type of online marketplace for purchasing health insurance coverage. This marketplace is referred to as a Health Insurance Marketplace, or an Exchange. You are not required to purchase insurance coverage through the Marketplace. Eastern University is continuing to offer health coverage as explained below.

Eastern University is providing the enclosed notice to help you understand your health insurance coverage options that will be available to you starting in 2014. You can now find and compare health insurance plans through the Marketplace and your coverage may start as early as Jan. 1, 2014.

If you purchase coverage through a Marketplace, you may be eligible for a federal subsidy that lowers your monthly premiums or reduces your cost sharing. However, to receive these federal savings, you cannot be eligible for health plan coverage through Eastern University that is affordable and provides "minimum value." This determination is made beginning Jan. 1, 2014.

The availability of coverage through the Marketplace does not affect your eligibility for coverage through Eastern University's health plan. The enclosed notice provides information about Eastern University's health plan as it exists today. Information on Eastern University's health plan coverage for 2014 was provided during our Open Enrollment period. Please contact the Human Resource Office for additional information on the plan's coverage.

More information on the health care reform law and the Marketplaces is available at www.healthcare.gov.

Sincerely,

Patti McHugh

Benefits & Training Administrator



Frequently Asked Questions (FAQs): Health Insurance Exchange Notice aka "Marketplace"

Q: Why am I receiving the attached Exchange Notice?

A: The Patient Protection and Affordable Care Act (PPACA), commonly known as Health Care Reform legislation, requires all applicable* employers to provide a written notice to their employees informing them about the Health Insurance Marketplace. This notice must be sent whether or not employees are currently enrolled in a health plan and whether or not they are considered full-time or part-time.

* *The DOL's Wage & Hour Division considers applicable employers as those subject to the Fair Labor Standards Act (FLSA).*

Q: What is the purpose of this Notice?

A: The attached Notice provides general information about the following:

- The exchange (also referred to as "marketplaces")
- How to request assistance
- Availability of a premium tax credit
- Implications for the employee if they choose to purchase a qualified health plan

Q: What is the Health Insurance Marketplace?

A: The Marketplace is a new competitive private health insurance market that will offer "one-stop shopping" for all individuals, including employees of small businesses, to find and compare affordable coverage options.

Q: What standards must be met in order to qualify for a subsidy through the Exchange?

A: There are two ways to qualify for a tax credit through the Exchange (aka Marketplace):

1. If the insurance plan your employer offers does not meet minimum value, and/or
2. Your income is between 1 and 4 times the federal poverty level, AND you would have to pay more than 9.5% of your household income for your own coverage through the insurance offered by your employer.

Q: What does household income include?

A: Household income includes incomes of the taxpayer, spouse and dependents. Exchanges will calculate this using the Modified Adjusted Gross Income (MAGI) calculation that includes income sources such as wages, salary, foreign income, interest, dividends, and Social Security.

Q: What is the federal poverty level?

A: The federal poverty level varies by family size. In 2013* the federal poverty level is \$11,490 for a single adult and \$23,550 for a family of four.

* *The estimated poverty level for 2014 based on Congressional Budget Office projections of inflation.*

Q: Who is NOT eligible for subsidized exchange insurance coverage?

A: Generally, employees are not eligible for subsidized insurance coverage as long as your employer offers coverage

1. That meets minimum value, AND
2. Is affordable

Q: Is our Employer plan affordable?

A: Yes. All employee contributions are less than 9.5% of income.

Q: Does our Employer plan meet minimum value?

A: Yes. We currently offer coverage that exceeds the 60% minimum value threshold.

Q: If our plan meets minimum value and is affordable, can I still get a tax credit?



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A: Generally, no. Subsidies are only available to individuals who meet certain criteria. To be certain, you may apply for subsidy by completing an application beginning October 1st 2013 through the Marketplace.

Q: Can I enroll in the Marketplace without a subsidy?

A: Yes. You will need to complete an application for insurance coverage.

Q: Can I enroll in the Marketplace any time of the year?

A: It depends. Generally, you must enroll during the Open Enrollment period, which initially is going to be October 1st 2013 through March 31st 2014. However, certain individuals such as American Indians and Alaskan Natives may enroll outside of the annual open enrollment period.

Q: If I enroll through the Exchange, when will my insurance coverage start?

A: Your coverage will become effective as early as January 1st 2014.

Q: Can premiums vary by age and health status?

A: Beginning in 2014, health reform law limits the degree to which premiums may vary by age. For example, the premium for a 64 year old cannot be more than three times that of a 21 year old. This means that premiums for older people may be lower, and premiums for younger people may be higher.

Q: Can premiums vary by tobacco usage?

A: The health reform law allows insurers to charge people who use tobacco up to 50% more in premiums than people who do not use tobacco*. Furthermore, the law specifies that exchange subsidies cannot be used to cover the portion of the premium that is due to a tobacco surcharge.
** Kaiser's online calculator assumes that insurers will charge enrollees the maximum 50% surcharge, but actual surcharges will likely vary. Under the status quo, insurers typically charge an average of 20% for tobacco surcharges.*

Q: If I elect an option through the Marketplace, will it affect my employer coverage?

A: Yes. You may lose the employer contribution to any health benefits plan offered by the employer. Additionally, all or a portion of such contribution may be excludable from income for Federal income tax purposes.

Q: Where may I find additional information?

A: The following resources are available for additional information:

- DOL's Technical Release 2013-02 (Including FAQs): www.dol.gov/ebsa/newsroom/tr13-02.html
- Healthcare Reform Law <https://www.healthcare.gov/>
- Cost and Savings Estimator (Use prior to October 1st) <http://kff.org/interactive/subsidy-calculator/>
- YouToons Video on the Affordable Care Act <http://kff.org/health-reform/video/youtoons-obamacare-video/>

Sources:

National Financial Partners www.nfp.com

The Henry J. Kaiser Family Foundation <http://kff.org>

US Centers for Medicare & Medicaid Services <http://www.healthcare.gov>

United States Department of Labor www.dol.gov/ebsa/healthreform



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 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.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 Human Resources Department.

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.

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 Eastern University		4. Employer Identification Number (EIN) 23-1409675	
5. Employer address 1300 Eagle Road		6. Employer phone number (610) 341-5800	
7. City St. Davids	8. State PA	9. ZIP code 19087	
10. Who can we contact about employee health coverage at this job? Human Resources Department			
11. Phone number (if different from above) (610) 341-5812		12. Email address hr@eastern.edu	

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: Full-time benefit eligible employees

- With respect to dependents:

We do offer coverage. Eligible dependents are: Legal dependents of benefit eligible employees

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 will guide you through the process. Here's the employer information you'll enter when you visit HealthCare.gov to find out if you can get a tax credit to lower your monthly premiums.

The information below corresponds to the Marketplace Employer Coverage Tool. Completing this section is optional for employers, but will help ensure employees understand their coverage choices.

13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?

Yes (Continue)

13a. If the employee is not eligible today, including as a result of a waiting or probationary period, when is the employee eligible for coverage? _____ (mm/dd/yyyy) (Continue)

No (STOP and return this form to employee)

14. Does the employer offer a health plan that meets the minimum value standard*?
 Yes (Go to question 15) No (STOP and return form to employee)

15. For the lowest-cost plan that meets the minimum value standard* offered **only to the employee** (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/ she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.

a. How much would the employee have to pay in premiums for this plan? \$ 0

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

If the plan year will end soon and you know that the health plans offered will change, go to question 16. If you don't know, STOP and return form to employee.

16. What change will the employer make for the new plan year?

Employer won't offer health coverage

Employer will start offering health coverage to employees or change the premium for the lowest-cost plan available only to the employee that meets the minimum value standard.* (Premium should reflect the discount for wellness programs. See question 15.)

a. How much will the employee have to pay in premiums for that plan? \$

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

Date of change (mm/dd/yyyy): Unknown

* 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)