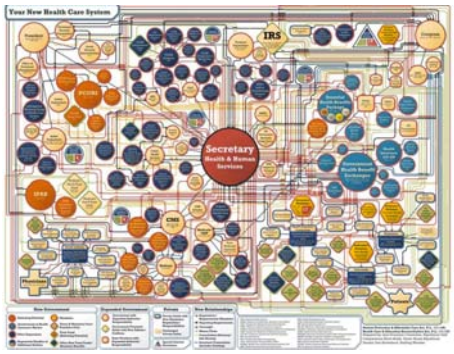
MedBen
health benefits

Navigating the Affordable Care Act

Spring, 2014

MedBen
health benefits

MedBen
health benefits



MedBen

Today's Focus:

- 2014 Plan Requirements
- Determination of ALE
- Enforcement Delay (Part 1)
- Employer Shared Responsibility
- Measurement Periods and Employee Eligibility
- Enforcement Delay (Part 2)
- Employer Fees and Employer Reporting
- Individual Shared Responsibility
- Exchanges and Your HR Department

MedBen

2014 Plan Requirements
(Grandfathered & Non-Grandfathered Plans):

- Elimination of Annual & Lifetime Dollar Maximums
- 90-Day Waiting Period Maximums
- Elimination of Pre-Existing Condition Limitations
- Additions to SBCs
- Deductible and Out-of-Pocket Limitations
  - $2,000/$4,000 for small fully-insured policies
  - $6,350/$12,700 OOP for all fully-insured policies and all self-funded plans

MedBen

2014 Plan Requirements
(Grandfathered & Non-Grandfathered Plans):

- Employer-provided Exchange Notices
- Completion of Marketplace Coverage Tool

MedBen

2014 Plan Requirements
(for Non-Grandfathered Plans Only):

- Coverage of Routine Care During Clinical Trials
- Coverage of Adult Children up to age 26, even if the children have their own employer-sponsored coverage

MedBen

Determination of ALE
(Applicable Large Employer)

MedBen

Who Has to Play?
Determination of Applicable Large Employer

- Must have at least 50 full-time employees AND full-time equivalent employees. (Less than 100 employees until 2016.)
- Full-time is defined as an average of 30 or more hours per week or 130 hours a month (for time paid or entitled to payment).
- Must use common law definition of employee.
- Must count all members of control group.

MedBen

Who Has to Play?

Determination of Applicable Large Employer

- Must not count hours of service worked outside the United States
- To determine Applicable Large Employer status you count employees during the prior calendar year; you do NOT use the Measurement Period Safe Harbor
- Full-time employees (FTEs) and Full-time equivalent employees (FTEEs) are counted

MedBen

Who Has to Play?

Determination of Applicable Large Employer

- Special rules for certain types of employees:
  - Volunteer Employees
  - Student Employees
  - Members of Religious Orders
  - Adjunct Faculty
  - Airline Industry Employees
  - On Call Hours
- Breaks in Service and Unpaid Leave
  - time frames different than those in measurement period calculations

MedBen

Who Has to Play?

Determination of Applicable Large Employer

- Special rules for certain types of employees:
  - Volunteer Employees
  - Student Employees
  - Members of Religious Orders
  - Adjunct Faculty
  - Airline Industry Employees
  - On Call Hours
- Breaks in Service and Unpaid Leave
  - time frames different than those in measurement period calculations

MedBen

MedBen

Enforcement Delay – Part 1

- No employer shared responsibility payments (penalties) are due in 2014. For employers with calendar year (January 1) plan years, penalties apply January 1, 2015.
- For employers with non-calendar year plan years, penalties will not apply until the first day of the 2015 plan year for those employees who are eligible under the terms of the plan as of February 9, 2014 and covered on the first day of the 2015 plan year.

MedBen

Enforcement Delay – Part 1

- Employers with close to 50 full-time employees in 2014 can use a 6-month period to determine ALE status, rather than using the 2014 calendar year (i.e., an employer can use the July-December 6-month period of 2014 to count its employees.
- Provided the employer didn't offer dependent coverage prior, an employer that takes steps during 2014 to add dependent coverage will not be assessed a penalty in 2014 for failing to offer such coverage . Such transition relief will extend into 2015 in certain circumstances.

MedBen

Enforcement Delay – Part 1

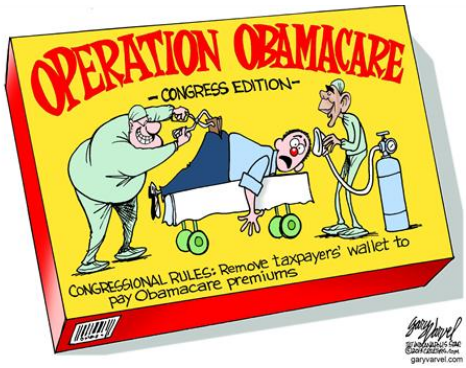
- Employers with fewer than 100 full-time employees in 2014 that meet the three conditions below, are not subject to the penalties in the employer's 2015 plan year:
  - The employer must employ, on average, between 50 and 100 full-time and full-time equivalent employees.
  - Between February 9, 2014 and December 31, 2014, the employer may not reduce the size of its workforce or the hours of service worked by its employees.
  - Between February 9, 2014 and December 31, 2014 the employer may not eliminate or materially change its health plan coverage.

MedBen

Enforcement Delay – Part 1

- Transition relief for employers between 50 and 100 employees also applies to newly created employers and businesses.
- This transition relief ends as of the last day of the employer's 2015 plan year.
- An employer who has over 100 full-time and full-time equivalent employees in 2015 (or any month in 2016 that is part of the 2015 plan year) must only offer coverage to 70% of its full-time employees in order to avoid a penalty. The number rises to 95% in 2016.

MedBen



MedBen

Employer Shared Responsibility

Greater Penalty

- An applicable large employer must offer minimum essential coverage to substantially all employees working 30 or more hours per week and their dependent children up to age 26.
- If the employer does NOT offer this coverage and at least one full-time employee receives a premium tax credit or cost sharing reduction for Exchange coverage, the employer must pay a fine of $2,000 per year for all employees working 30 or more hours per week (minus the first 30).

MedBen

Employer Shared Responsibility

Greater Penalty

- "Substantially all" means 95% or more of all full-time employees.
- Failure to offer to the "5%" (or 5 employees if larger than 5%) can be intentional but doing so does not eliminate the Lesser Penalty on the 5%.
- Coverage must be offered to dependent children to age 26 but not spouses.
- Delay Note: In 2015, ALEs only have to offer coverage to 70% of all full-time employees.

MedBen

Employer Shared Responsibility

Greater Penalty

- Minimum Essential Coverage (MEC) means:
  - A government sponsored program (Medicare, Medicaid, CHIP, TRICARE, CHAMPVA);
  - An eligible employer-sponsored plan (a small or large, public or private fully-insured or self-funded group health plan);
  - A plan in the individual insurance market;
  - A grandfathered health plan; or
  - Other health benefits coverage recognized by HHS for this purpose.

MedBen

Employer Shared Responsibility

Greater Penalty

- If an ALE offers minimum essential coverage to 95% of full-time employees and their dependents, and a full-time employee receives a premium tax credit or cost-sharing reduction for Exchange coverage, the employer will be required to pay the Lesser Penalty if either or both of the following tests are not met:
  - The employer's coverage does not offer minimum value; ***OR***
  - The employer's coverage is not affordable.

MedBen

Employer Shared Responsibility

Greater Penalty

- The Lesser Penalty equals $3,000 per year for each employee that receives a premium tax credit or cost-sharing reduction for Exchange coverage.
- The annual amount due under the Lesser Penalty is the lesser of $3,000 for each full-time employee who receives a premium tax credit or cost-sharing reduction - or $2,000 per all full-time employees (minus the first 30 employees).

MedBen

Employer Shared Responsibility

Lesser Penalty

- Minimum Value means that the employer's plan covers at least 60% of the cost of benefits under such plan.
- The employer's plan is not "affordable" if the amount of the self-only (employee-only) contribution for the coverage is more than 9.5% of the employee's household income.

MedBen

Employer Shared Responsibility

Lesser Penalty

- Proposed Minimum Value Safe Harbors:
  - $3,500 integrated medical and drug deductible; 80% plan coinsurance; and $6,000 maximum employee out-of-pocket;
  - $4,500 integrated medical and drug deductible; 70% plan coinsurance; $6,350 maximum employee out-of-pocket; and $500 contribution to an HSA;
  - $3,500 medical deductible; $0 drug deductible; 60% plan medical coinsurance; $6,350 maximum employee out-of-pocket; $10/$20/$30 tiers 1–3 drug copayments; and 75% drug coinsurance on specialty drugs.

MedBen

Employer Shared Responsibility

Lesser Penalty

- Affordability Safe Harbors – Minimum value coverage will be deemed affordable if the employee-only contribution for lowest cost option does not exceed 9.5% of:
  - The employee's W-2 wages for that calendar year; or
  - The employee's hourly rate of pay x 130 or monthly salary (unless wages are reduced during year); or
  - The most recently published federal poverty level for a single individual.

MedBen

MedBen

ACA New Employee Eligibility Definitions

- Full-time Employee (FTE) – An employee who works 30 or more hours per week (on average). A new FTE is one that has been employed less than one full SMP and who is reasonably expected to work 30 or more hours per week, on average. A new FTE is not one who is a Variable Hour Employee and may or may not be a seasonal employee.

MedBen

ACA New Employee Eligibility Definitions

- Variable Hour Employee (VHE) – An employee for whom, as of his/her start date, the employer cannot reasonably determine if he/she will average 30 or more hours per week. A new Variable Hour Employee is one that has been employed less than one full SMP and for whom the employer is unable to determine, as of his or her hire date, whether he or she is reasonably expected to work 30 or more hours per week, on average.

MedBen

ACA New Employee Eligibility Definitions

- Standard Measurement Period (SMP) – The 3 to 12 month look back period to measure full-time status for the Stability Period.
- Standard Stability Period (SSP) – The period, which is the greater of 6 consecutive calendar months or the length of the SMP, during which a FTE must be offered coverage. The SSP must begin immediately after the SMP and AP periods.

MedBen

ACA New Employee Eligibility Definitions

- Administrative Period (AP) – An optional period, after the SMP and before the SSP, used to determine eligibility. The AP cannot exceed 90 days and cannot reduce or lengthen the SMP or the SSP.
- Initial Measurement Period (IMP) – The 3 to 12 month period, which begins between an employee's hire date and the first of the month following such hire date, used to determine whether new hires are FTEs or VHEs. This is the measurement period for a new employee. The IMP and its AP cannot extend more than 13 months (plus a fraction of a month).

MedBen

Workforce Analysis

- Two Ways to Measure Health Plan Eligibility
  - ***Month by Month Method***
  - ***Look-Back Measurement Period Safe Harbor Method***
- Both methods are valid and have pros and cons – based on workforce structure and employer coverage philosophy.

MedBen

Workforce Analysis

- Month by Month Method
  - Primary statutory method mandated by PPACA.
  - Highly unpractical for employers with variable hour employees and employees on varying schedules.
  - An employer must use this method, unless the employer chooses to use the *Look-Back Measurement Period Safe Harbor* method.
  - Will cause issues with continuing stop-loss coverage for self-funded group health plans.
  - May cause treatment continuity issues for those covered by both fully-insured and self-funded plans.

MedBen

Workforce Analysis

- Month by Month Method
  - Under this method of tracking eligibility, each month (and every month) the employer must determine whether any employees are anticipated to move from part-time to full-time status in the next month (based on the 30 hour average rule) and:
    - offer coverage to any new full-time (30+ hour) employees; and
    - terminate coverage for any new part-time (less than 30 hour or variable hour employees).

MedBen

Workforce Analysis

- Look-back Measurement Period Safe Harbor Method
  - This method is not required. It is an optional tracking method which provides certainty for VHEs and eliminates the need to do a month-by-month determination.
  - Under this method, an employer uses a look-back period of 3 to 12 months to identify which employees worked 30 hours per week on average.
  - Those employees are then locked in as full-time or non-full-time during the related stability (coverage) period of up to 12 months.

MedBen

Workforce Analysis

- Look-back Measurement Period Safe Harbor Method
  - An employee identified as variable hour or non-full time during the look back period may then be treated as non-full time during the entire stability period even if he or she actually works 30 hours or more per week during the stability period.
  - Similarly, an employee identified as full-time during the look-back measurement period must be treated as a full-time employee and offered coverage during the entire stability period even if his or her hours drop below 30 per week during the stability period.

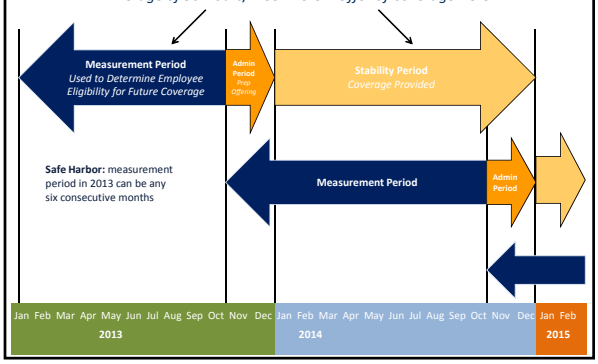
MedBen

Workforce Analysis

- Look-back Measurement Period Safe Harbor Method
  - Measurement, stability, administrative periods must generally be uniform in length but can vary for the following categories:
    - Collectively bargained employees covered by separate collective bargaining agreements;
    - Collectively bargained employees versus non-collectively bargained employees;
    - Salaried versus hourly employees;
    - Employees whose primary work locations are in different states.

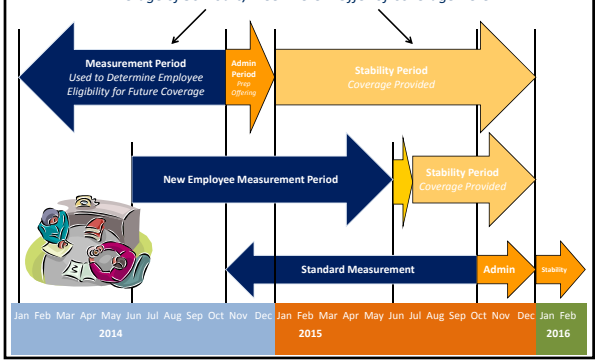
ABC Corp

Average of 30 Hours/Week Here = Offer of Coverage Here



How Do You Handle New Employees?

Average of 30 Hours/Week Here = Offer of Coverage Here



MedBen

Workforce Analysis
Special Rules

- Change in employment status during Initial Measurement Period
  - Any new VHE or seasonal employee who has a change in employment status during the initial measurement period that results in the employee being reasonably expected to work 30 or more hours per week should be treated as a FTE as of the first day of the fourth month following the change in status (or earlier if at the end of the IMP).
  - Applies to new employees during the initial measurement period, not ongoing employees.

MedBen

Workforce Analysis
Special Rules

- Rehired employees / Service after Absence
  - These rules apply to the safe harbor employees who are rehired after termination of employment ***or*** who resume work after any other absence – these rules determine whether the employer has to consider previous service or employment in establishing status as full-time employee.
  - The employer is only allowed to treat the returning employee as a **New Employee,** if one of two tests are met. If either test is met, the employee can be treated as a new hire for measurement period purposes.

MedBen

Workforce Analysis
Special Rules

- Rehired employees / Service after Absence
  - The first test: If the employee's period of "no service" was at least 13 consecutive weeks* long, then the returning employee can be treated as a new employee.
  - The second test: If the employee's period of "no service" is less than 13 weeks, the employer may apply an optional rule of parity and treat the employee as a new employee if the "no service" period is at least 4 but less than 13 weeks long, ***and*** is longer than the period of employment. For example, if the employee works 3 weeks, terminates for 10 weeks, and is rehired, the employee may be treated as new.
- ***SPECIAL RULE**: 26 weeks for educational institution employees

MedBen

Workforce Analysis
Special Rules

- Rehired employees / Service after Absence
  - If neither of these tests is satisfied, the employer must treat the returning employee as a continuing employee (not a new employee).
  - The continuing employee retains the same measurement and stability periods that would have applied if the employee had not had a period of "no service". For instance, if the continuing employee was a covered FTE when he left employment and returns during the same stability period, he must be covered during the balance of that stability period.

MedBen

Workforce Analysis
Special Rules

- Rehired employees / Service after Absence
  - For a continuing employee who resumes work after certain unpaid leave (FMLA, USERRA, jury duty only), the employer must determine the average hours of service per week for the employee **excluding** the unpaid leave period and use that average as the average for the entire measurement period; or
  - The employer may credit the employee with hours of service for the unpaid leave period at a rate equal to the average weekly rate at which the employee was credited with hours of service during the weeks in the measurement period that are not unpaid leave.

MedBen

Workforce Analysis
Special Rules

- Rehired employees / Service after Absence
  - Special Rules?
    - Educational Institutions – Yes: 26 week break-in-service for employees of an educational institution (to cover academic break periods).
    - Short-term employees – No: Treat short-term (non-seasonal employees) as any other employees.
    - High turnover jobs – No: Treat employees in high turnover positions as any other employees.

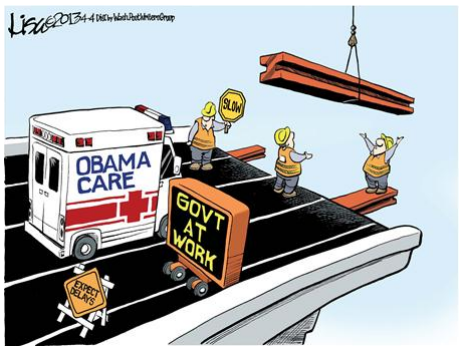
MedBen

Workforce Analysis

Special Rules

- Rehired employees / Service after Absence
  - Special Rules?
    - Temporary staffing firm employees – No: Employer must determine at outset if employee is a FTE or VHE and apply the appropriate coverage model and standard break-in-service rules based on employee circumstances.

MedBen



MedBen

Enforcement Delay – Part 2

What was originally delayed?

- Employer and insurer obligations to report employee minimum essential coverage information under ACA § 6055;
- Applicable large employer annual reporting requirements under ACA § 6056; and
- Application of employer shared responsibility penalties under ACA § 4980H.

MedBen

Enforcement Delay – Part 2

What is NOT delayed

- *Tracking variable hour employee hours*: Employers will still have to track employee hours in 2014 / 2015 if they wish to take advantage of the measurement period safe harbor in 2015 / 2016. The shorter measurement periods which were available in 2013 for the 2014 plan year are not available in later plan years.

MedBen

Enforcement Delay – Part 2

What is NOT delayed

- *Implementing 2014 plan changes*: All of the changes required to be made to plan documents in 2014 still need to be made. These include:
  - removal of all annual and lifetime dollar maximums;
  - elimination of pre-existing condition exclusions;
  - prohibition of waiting periods longer than 90 days;
  - coverage of routine care associated with clinical trials;
  - deductible and out-of-pocket limitations.

MedBen

Enforcement Delay – Part 2

What is NOT delayed

- *Individual mandate still applies*: Effective January 1, 2014, most United States citizens are required to have health care coverage or pay a penalty for each month they don't. (Some penalties delayed until 2/1/2014.)
- *Exchanges opened October 1st*: The Exchanges (also known as "health insurance marketplaces") opened October 1, 2013 with open enrollment continuing until March 31, 2014.

MedBen

Enforcement Delay – Part 2

What is NOT delayed

- *PCORI and Transitional Reinsurance Fees*: Neither the PCORI fee (due each July 31st) nor the transitional reinsurance fee (due beginning in November 2014) will be delayed or extended.
- *Exchange notices*: Employers subject to the FSLA had to send all current employees (not just those covered under the health plan) a notice no later than October 1, 2013 informing them of their right to obtain coverage on the Exchange. All new hires must also get the Notice.

MedBen

Enforcement Delay – Part 2

What is NOT delayed

- *Federal subsidies*: Both the premium tax credit and the reduced exchange premium subsidies will be available in 2014.
- *2015 (2016) Penalties may not be the same as 2014 penalties*: While the penalties have been delayed until 2015, the regulations which allow the penalties to increase each year have not been delayed. We may see increased penalty amounts when they become effective again in 2015 and 2016 – more than then current $2,000 and $3,000 amounts.

MedBen

Individual Shared Responsibility

MedBen

Individual Shared Responsibility

Mandate and Exemptions

- Individuals must maintain Minimum Essential Coverage for themselves and their dependents for the entire year of pay a tax.
- For 2014, the tax is $95 per uninsured adult and $47.50 for each dependent under age 18 (or 1% of household income, less exemptions and deductions) whichever is greater.
- In 2015, the amounts go up to $325 and 2% and in 2016 they increase to $695 and 2.5%.

MedBen

Individual Shared Responsibility

Mandate and Exemptions

- Total household penalty cannot exceed 300% of the per adult tax.
- Exemptions are available for:
  - religious conscience;
  - status as a non-citizen;
  - incarceration;
  - lack of availability of affordable coverage;
  - household income below filing threshold; and
  - certain domestic and financial hardships.

MedBen

Individual Federal Subsidies

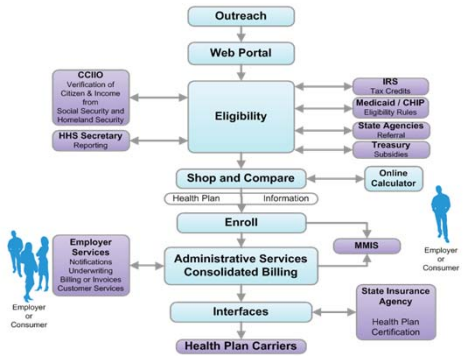
- Effective January 1, 2014, the federal government will make both premium tax credits and cost-sharing subsidies available to those eligible.
- Current lawsuit challenging the federal government's authority to provide subsidies through the Federal Exchange.
- Citizens and legal residents in families with incomes between 100% and 400% of the FPL who purchase coverage through an Exchange will be eligible for a premium tax credit.

MedBen

Individual Federal Subsidies

- The monthly premium tax credit for a taxpayer is the lesser of:
  - The premiums for the month for one or more qualified health plans in which the taxpayer and his/her family enrolls; or
  - The excess of the adjusted monthly premium for the applicable benchmark plan over 1/12 of the taxpayer's household income and the applicable percentage for the taxable year. The benchmark plan is, generally, the lowest cost silver plan.

MedBen



MedBen

Exchange Marketplaces

- An "Exchange" is an on-line marketplace where individuals and small employers can:
  - Shop for health insurance;
  - Compare available health plans;
  - Determine if they are eligible for a health care tax credit;
  - Get answers to health care reform questions; and
  - Purchase and enroll in health coverage.
- Exchanges must begin offering their health plan products on October 1, 2013.
- They must be fully operational on January 1, 2014.

MedBen

Exchange Marketplaces

- There four types of insurance policies available on the Exchanges – all offering essential health benefits and all considered "minimum essential coverage". Each plan is identified by its "metal" level which describes the amount of benefits covered by the carrier under the policy:
  - **Bronze** – 60% coverage by the carrier (individuals pay 40%)
  - **Silver** – 70% coverage by the carrier (individuals pay 30%)
  - **Gold** – 80% coverage by the carrier (individuals pay 20%)
  - **Platinum** – 90% coverage by the carrier (individuals pay 10%)

MedBen

Exchange Marketplaces

- There are three types of "Exchanges":
  - State-Based Model – the state runs the exchange (15 states including Kentucky, Massachusetts);
  - State-Based Model with FFE IT – the state runs the exchange but uses the federal exchange's computer system (3 states including Utah, Idaho and New Mexico);
  - Federally-Facilitated Model – HHS runs the exchange (33 states, including Ohio, Indiana, Michigan and West Virginia).
- Individuals seeking coverage through an Exchange will seek help from "Navigators", "Non-Navigator Assistants", "Certified Application Counselors" and Agents/Brokers.

MedBen

Exchange Marketplaces

- "Navigators" are the primary individuals charged with the responsibility of helping consumers prepare electronic and paper applications to establish eligibility and enroll in coverage through an Exchange. This includes helping individuals determine if they are eligible for premium tax credits or cost-sharing reductions.
- "Non-Navigator Assistants" (or Consumer Assistants) generally perform the same functions as Navigators but only exist in state-based Exchanges – not Federally-Facilitated Exchanges.

MedBen

Exchange Marketplaces

- "Certified Application Counselors" are designated only in the Federally-Facilitated Exchanges. They will also perform many of the same functions as Navigators, including educating consumers and helping them complete applications. These will include community organizations.
- "Agents/Brokers" will be allowed to enroll individuals and small employers through the Exchanges, to the extent permitted by state law.
- Open enrollment in the Exchanges begins October 1, 2013 and continues through March 31, 2014.

MedBen

MedBen

What Do Employers Have to Tell Employees About the Exchange?

- Employers subject to the Fair Labor Standards Act (FLSA) ***must*** provide each employee with certain information about Exchanges, including:
  - Information about the existence of the Exchanges;
  - Exchange contact information;
  - Description of services provided by the Exchanges;
  - Information about the possibility of subsidies (premium tax credits and cost-sharing reductions); and
  - Information about losing tax-free employer contribution – if you make such a contribution to your employer-sponsored coverage.

MedBen

Exchange Notice Requirement

- Employers can provide the required information about the Exchanges by using the Model Notices.
- The federal government issued two different Model Notices for employers to use:
  - 3-page Model Notice for employers who offer health coverage
    - Part A – Required Provisions
    - Part B – Optional Provisions
  - 2-page Model Notice for employers who do not offer health coverage
    - Parts A and B – Provisions in both parts are required

MedBen

What Do Employers Have to Tell Employees About the Exchange?

- Employers may also want to make sure employees understand the following:
  - All United States citizens must have minimum essential coverage beginning January 1, 2014 – the "Individual Mandate";
  - Individual Mandate includes dependents;
  - If an individual doesn't have health coverage, a tax will be assessed (unless the individual is eligible for an exemption);
  - Individuals, not employers, are responsible for investigating coverage available under the Exchange.
  - Upcoming changes in their 2014 plan coverage.

MedBen

Exchange Notice Requirement

- Both Notices have the same first page – "Part A". On both, the first page describes the basic information which an employer is required to provide to all employees – part-time and full-time, those offered coverage and those not offered coverage.
- Part B of each notice is different based on whether or not the employer offers a health plan.
- If the employer does offer a health plan, Part B describes the plan's employee and dependent eligibility provisions and gives the employers a place to mark the minimum value and affordability status of the plan.

MedBen

Exchange Notice Requirement

- Only the Notice used by an employer offering a health plan includes a Page 3. Completion of page 3 is also optional.
- Page 3 information matches the information which an employers must provide an employee in the "Marketplace Employer Coverage Tool", including:
  - Specific employee eligibility;
  - Information about the plan's minimum value;
  - Information about the plan's affordability;
  - Information about future plan changes.
- The form's numbering is not sequential and matches the numbering on the Individual Exchange Application.

MedBen

Exchange Notice Requirement

- Employers must provide ***ALL*** employees with the Notice (either one of the Model Notices or an individually-crafted notice) no later than October 1, 2013.
- Retirees do not need to get the notice.
- COBRA participants do not need to get this notice, but must get a revised COBRA notice including the same information.
- New hires must get the Notice no later than 14 days from their date of hire.

MedBen

Exchange Notice Requirement

- Employers can use any of the DOL approved methods for distributing summary plan descriptions and other plan information when distributing the Exchange Notices:
  - First class mail
  - Hand delivery
  - Electronic distribution that meets the current DOL test
- An Employer may have to distribute both Notices if it offers coverage to some employees, but doesn't offer coverage to other employees.

MedBen

Marketplace Employer Coverage Tool

- In order to determine an individual's eligibility for a premium tax credit or cost-sharing reduction, an employee will have to provide the Exchange with certain information.
- Some of the information will come from the employee's Exchange application.
- An applicant will then be instructed (at the Exchange) to take the Employer Coverage Tool to the employer for completion – in order to answer questions about if, and how much, employer-sponsored health coverage is offered to the employee.

MedBen

Marketplace Employer Coverage Tool

- The Employer Coverage Tool asks for the following information:
  - The applicant's before tax wages and frequency of payment;
  - The applicant's average number of hours worked per week;
  - If the applicant's income varies from month to month;
  - The applicant's eligibility for coverage, including any waiting period;
  - If the health plan offered meets the minimum value standard; and
  - How much the applicant has to pay for employee-only coverage in the lowest cost health plan option offered.

MedBen

Marketplace Employer Coverage Tool

- In addition to the information required on the Employer Coverage Tool, applicants will be required to provide certain demographic and financial information to the Exchange, including:
  - The number and relationship of household members, if any (including a spouse, dependent child(ren), unmarried partner and any other tax dependents or individuals in the household);
  - Federal income tax filing status;
  - Disability, if any;
  - Citizenship;
  - Income for the year;
  - Federal income tax deductions; and
  - Health coverage (whether currently enrolled or eligible).

MedBen

HR Department Considerations

- Beyond the information provided in the Exchange Notices, employers will need to decide how much information they are willing to provide to their employees about the Exchanges.
- The required Notices do not explain the Individual Mandate. Employers may want to provide employees with information about how their employer-sponsored coverage helps them meet this requirement.
- Even though the delay means that employers do not have to report certain information to the federal government at this time, employers must still provide coverage information for employees seeking a subsidy (through the Employer Coverage Tool).

MedBen

HR Department Considerations

- Given all the media attention, what do you need to do to make sure your employees understand the value of the coverage you are providing and what they may give up if they decide to get coverage through the Exchange?
- The risk of not providing enough information about how the Exchange works include:
  - employees enrolling for coverage through an Exchange and finding out they aren't eligible for a subsidy;
  - losing your young and healthy participants to Exchange coverage and driving up your costs.

MedBen

HR Department Considerations

- In addition to offering coverage, how much time and assistance does you HR Department want to give your employees in understanding what the Exchange offers?
- Will you help them complete an Exchange application and calculate financial assistance availability or send them directly to a Navigator?
- Will you need to modify other employment policies or handbooks based on your coverage options or opinion on Exchange coverage?

MedBen

Questions?

- MedBen can help!
  - *Caroline Fraker*
  - *cfraker@medben.com*
  - *740-522-7386*