

Date: _____, 20__

Re: **Important Notice from [Insert Name of Employer] about Health Insurance Marketplace Coverage and Our Medical Plan(s)**

THIS NOTICE IS FOR ALL EMPLOYEES

Please read this cover letter and the attached Notice carefully and keep this information where you can find it in the future. You are receiving the Notice because it is required by the Affordable Care Act (ACA), also known as Health Reform.

Spanish Language Assistance: Si usted no entiende la información en este documento, por favor de ponerse en contacto con personal del departamento de [Beneficios] en _____ insert Plan Admin or Benefits Dept phone number _____ o visite este sitio web: <https://www.cuidadodesalud.gov/es/>

Attached to this cover letter is a Notice called the “**New Health Insurance Marketplace Coverage Options and Your Health Coverage.**” The Notice and cover letter have information about the new Health Insurance Marketplace, open enrollment for the Health Insurance Marketplace, and let you know that you may qualify to save money on health insurance premiums you buy in the Marketplace. This information can help you decide if you should consider enrolling in coverage through the Health Insurance Marketplace. The Health Insurance Marketplace has also been called the "Exchange."

If you are covered under a medical plan offered through NMPSIA, YOU DO NOT NEED TO SHOP FOR INSURANCE IN THE MARKETPLACE.

If you need assistance understanding this Notice, please contact _____ at () _____.

STARTING JANUARY 1, 2014 AMERICANS HAVE A NEW INDIVIDUAL SHARED RESPONSIBILITY MANDATE

As part of the Affordable Care Act, starting January 1, 2014*, most taxpayers are required to maintain medical plan coverage or pay a tax penalty (applied on their personal income tax filing). The tax penalty for failure to maintain coverage (referred to as an individual shared responsibility mandate) is the greater of a flat dollar amount or a percentage of your household income.

This means that by electing medical coverage (either through your employer, your spouse, through a government-sponsored program like Medicare or Medicaid, or through the Health Insurance Marketplace), a taxpayer can help avoid paying the new individual shared responsibility mandate. For this reason, you may want to determine if it is best to enroll or keep coverage under your employer-sponsored medical plan or instead, enroll in coverage through the Health Insurance Marketplace, or forego coverage and pay the personal income tax penalty (the Individual Mandate penalty) for not having medical plan coverage. It may also be helpful to discuss this individual mandate with your tax advisor.

THE HEALTH INSURANCE MARKETPLACE

You will see in the Notice (attached to this cover letter) that the Health Insurance Marketplace is a place to purchase medical coverage. The open enrollment period for coverage in the Marketplace is held in the fall with coverage elected at that time becoming effective in January.

ASSISTANCE WITH THE COST OF PREMIUMS ON THE HEALTH INSURANCE MARKETPLACE

Individuals who apply for health insurance coverage through the Health Insurance Marketplace may qualify for financial assistance to help buy that coverage. Depending on their annual household income, certain individuals may be eligible for premium assistance (such as a premium tax credit or a cost-sharing subsidy) to help lower the amount they pay toward the monthly health insurance premiums. Individuals must apply for the premium assistance by completing an application form through the Health Insurance Marketplace.

A few helpful points:

- An individual is not eligible for premium assistance if he or she is offered the opportunity to enroll in employer-sponsored medical plan coverage that is affordable and meets a required minimum value. If an employee is offered the opportunity to enroll in employer-sponsored medical plan coverage and they decline that employer-sponsored coverage, premium assistance may not be available to help the employee buy coverage in the Marketplace.
- Premium assistance may not be available to an individual if they make too much money to qualify for it.
- The amount of the premium assistance declines as an individual's income rises. Where an individual has received more premium assistance than they may have been eligible to receive, an adjustment will be coordinated with the IRS (meaning you may have to repay part of the premium assistance you received if your income increases during the year).
- Kaiser Family Foundation's website offers a handy premium assistance calculator if you are interested: <http://kff.org/interactive/subsidy-calculator/>.

FOR MORE INFORMATION ABOUT YOUR MEDICAL PLAN OPTIONS UNDER OUR HEALTH PLAN

For more detailed information about the benefits offered by the New Mexico Public Schools Insurance Authority (NMPSIA), please refer to your Medical Plan Document or review the Summary of Benefits and Coverage (SBC). These documents are located on NMPSIA's website at www.nmpsia.com or you can call your medical plan for assistance (their phone number is on your medical plan ID card). Other helpful information about the Health Insurance Marketplace can be found at www.healthcare.gov.

IF YOU CURRENTLY ARE NOT ELIGIBLE FOR COVERAGE UNDER OUR MEDICAL PLANS

We know that some employees are not eligible to enroll for coverage under our medical plans; however, we are required by law to distribute this Notice to all existing employees and all new employees. That you are not eligible to enroll for coverage under our medical plan(s) means that you should take the opportunity to see if coverage under a spouse's medical plan or in the Health Insurance Marketplace is a good option for you. And, because you are not offered employer-sponsored coverage, you may have the chance to qualify for premium assistance to help you buy coverage in the Marketplace.

FOR MORE INFORMATION ABOUT THIS COVER LETTER OR THE ATTACHED NOTICE, PLEASE CONTACT:

Benefit Specialist Name
Phone Number: _____ and email: _____

This cover letter document along with the attached Notice is intended to serve as your Employer Notice about the Health Insurance Marketplace, as required by law.

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New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 5-31-2020)

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 *insert employer name, title or department and phone number contact information, such as, "ABC School District's Human Resources Department at 123-345-5678"*.

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		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 those deemed to be benefits-eligible by your employer.

- **With respect to dependents:**

- ☒ We do offer coverage. Eligible dependents are:

Eligible dependents include a Spouse, Domestic Partner, and the following categories of children to age 26: natural child, adopted child or child placed for adoption, stepchild, child under a Qualified Medical Child Support Order (QMCSO), child under a legal guardianship order, foster child, and a child of a Domestic Partner. Unmarried children age 26 and older may continue eligibility if disabled and that disability existed prior to age 26. Proof of dependent status is required by the Plan.

- ☐ 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.