

# **NOTICE: Health Insurance Marketplace Coverage Options and Your Health Coverage**

## **PART A: General Information**

When key parts of the health care law took effect in 2014, a new way to buy health insurance became available: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the 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 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 November 1, 2018, for coverage starting January 1, 2019. Open enrollment at the Marketplace ends December 15, 2018.

### **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 – known as a *Single Plan*) is more than 9.56% 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?**

Part B of this Notice contains information about health coverage offered by your employer. Part B can be viewed at [kehpcy.gov](http://kehpcy.gov) under Legal Notices. For more information about the coverage offered by your employer, please check the Medical Benefit Booklet, sometimes referred to as a Summary Plan Description, or contact your agency's/employer's Insurance Coordinator or Human Resource Generalist. Or, you may contact the Member Services Branch of the Department of Employee Insurance at 888-581-8834 or 502-564-6534.

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.

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<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 health coverage through the Kentucky Employees' Health Plan offered by your employer. If you decide to complete an application for coverage through the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application. **If you are an employee who is seeking coverage through the Marketplace, please request your employer's information below from your Insurance Coordinator or your agency's Human Resource Generalist.**

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:

- Any person, including an elected public official, who is regularly employed by any department, office, board, agency or branch of state government; or by a public postsecondary educational institution; or by any city, urban-county, charter county, county, or consolidated local government, whose legislative body has opted to participate in the state-sponsored health insurance program pursuant to KRS 79.080; and who is either a contributing member to any one (1) of the retirement systems administered by the state, including but not limited to the Kentucky Retirement Systems, Kentucky Teachers' Retirement System, the Legislators' Retirement Plan, or the Judicial Retirement Plan; or is receiving a contractual contribution from the state toward a retirement plan; or, in the case of a public postsecondary education institution, is an individual participating in an optional retirement plan authorized by KRS 161.567;
- Any certified or classified employee of a local board of education;
- Any elected member of a local board of education;
- Any person who is a present or future recipient of a retirement allowance from the Kentucky Retirement Systems, Kentucky Teachers' Retirement System, the Legislators' Retirement Plan, the Judicial Retirement Plan, or the Kentucky Community and Technical College System's optional retirement plan authorized by KRS 161.567, except that a person who is receiving a retirement allowance and who is age sixty-five (65) or older shall not be included, with the exception of persons covered under KRS 61.702(4)(c), unless he or she is actively employed pursuant to the first bullet above;
- Any person who meets the eligibility requirements of the employer which are:
  - ❖ *[Employer must add any employer-specific eligibility requirements, if any];* and

- In accordance with the Affordable Care Act, all full-time employees. Full-time employees, as defined by the ACA, means employees with 30 hours of service per week or 130 hours of service per month. Employers may impose a less restrictive definition of full-time employees for the purposes of determining eligibility for health insurance coverage. See employer-specific eligibility requirements above.
- With respect to dependents:
  - We do offer coverage. Eligible dependents under a KEHP plan include:
    - Spouse – a person to whom you are legally married;
    - Common Law Spouse – a person with whom you have established a Common Law union in a state which recognizes Common Law marriage (Kentucky does not recognize Common Law Marriage);
    - Child Age 0-25 – in the case of a child who has not yet attained his/her 26<sup>th</sup> birthday, “child” means an individual who is:
      - ❖ A son, daughter, stepson, or stepdaughter of the employee/retiree, or
      - ❖ An eligible foster child of the employee/retiree (eligible foster child means an individual who is placed with the employee/retiree by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction and includes court awards of guardianship or custody), or
      - ❖ An adopted child of the employee/retiree (a legally adopted individual of the employee/retiree, or an individual who is lawfully placed with the employee/retiree for legal adoption by the employee/retiree);
    - Disabled dependent
      - ❖ A dependent child who is totally and permanently disabled may be an eligible dependent beyond the end of the month in which he/she turns 26, provided the disability (a) started before his/her 26<sup>th</sup> birthday and (b) is medically-certified by a physician to be disabled. A dependent child will be considered totally and permanently disabled if, in the judgment of the KEHP or its medical third-party administrator, the written certification adequately demonstrates that the dependent child is unable to engage in any substantial gainful activity by reason of medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months.
      - ❖ A Dependent child who is not already covered by KEHP at the time of his/her 26<sup>th</sup> birthday may not later be enrolled in the KEHP on grounds of total and permanent disability unless and until he/she sustains a loss of other insurance coverage. In such a case, a request to enroll a Dependent child in the KEHP on grounds of total and permanent disability must be made no later than 35 calendar days following the loss of other insurance coverage.
  - 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 for 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.

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.

<p><b>13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?</b></p> <p><input type="checkbox"/> <b>Yes</b> (Continue)</p> <p>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)</p> <p><input type="checkbox"/> <b>No</b> (STOP and return this form to employee)</p>
<p><b>14. Does the employer offer a health plan that meets the minimum value standard*?</b></p> <p><input checked="" type="checkbox"/> Yes (Go to question 15)      <input type="checkbox"/> No (STOP and return form to employee)</p>
<p><b>15. For the lowest-cost plan that meets the minimum value standard* offered <b>only to the employee</b> (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.</b></p> <p>a. How much would the employee have to pay in premiums for this plan? \$</p> <p>b. How often? <input type="checkbox"/> Weekly   <input type="checkbox"/> Every 2 weeks   <input type="checkbox"/> Twice a month   <input type="checkbox"/> Monthly   <input type="checkbox"/> Quarterly   <input type="checkbox"/> Yearly</p>

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.

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**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):

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\* 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)