

## Attention Contractors – Health Care Reform Employer Responsibility

The Patient Protection and Affordable Care Act (PPACA), commonly referred to as Health Care Reform or Obamacare, **requires all employers to send notices to all employees** regarding the upcoming Health Insurance Marketplace. (The Marketplace was originally referred to as health care exchanges.) The notice (New Health Insurance Marketplace Coverage Options and Your Health Coverage) must be sent to all new employees at the time of hiring. (The Department of Labor will consider a notice to be provided “at the time of hiring” if the notice is provided within 14 days of an employee’s start date.)

Even though Ohio Laborers Benefits (the Ohio Laborers’ Fund Office) maintains and administers the health insurance for your “Ohio laboring employees,” you, as the employer, must send the notice to all of your employees. This is not the responsibility of Ohio Laborers Benefits or any other fund office. Additionally, **certain parts of the notice must be modified depending on the health insurance plan offered to employees.** For example, if you have employees working in a trade other than laboring or if you offer a different health insurance plan to your office workers or if you have employees to whom you do not offer health insurance, the employee notice will need to be modified for each group.

For your convenience, enclosed is a sample employee notice that could be used for your “Ohio laboring employees” – the employees for whom you make contributions to the Ohio Laborers’ District Council – Ohio Contractors’ Association Insurance Fund. The enclosed employee notice has been modified specifically for your “Ohio laboring employees” and should not be used for other employee groups. To be in compliance, you only have to send Part A of the notice. However, if any of your employees choose to apply for insurance through the Marketplace, they will need the information provided in Part B (pages 2 and 3 of the notice). If you choose to send Part B, please note that you (the employer) will need to **complete the table (numbers 3 – 12) on the top of page 2 of the notice** prior to mailing it to your “Ohio laboring employees.” If your “Ohio laboring employees” use the notice to look into their options in the Marketplace, they may also need to check with Ohio Laborers Benefits to verify their eligibility for question number 13 on page 3 of the notice.

When sending the notice to your “Ohio laboring employees,” we recommend you include a cover letter with the following language:

*The Patient Protection and Affordable Care Act (PPACA), commonly referred to as Health Care Reform or Obamacare, requires that we send you the attached employee notice, entitled New Health Insurance Marketplace Coverage Options and Your Health Coverage. This notice is simply designed to inform you of the upcoming Health Insurance Marketplace, which was originally referred to as exchanges. **You are not required to do anything in response to this notice, it is informational only.***

*Please note, the exchanges are not designed to replace existing employment-based insurance plans (like the plan you have available through the Ohio Laborers’ District Council – Ohio Contractors’ Association Insurance Fund). The intent of the Marketplace is to give the uninsured multiple options when looking for health insurance. If you and your dependents have and maintain insurance coverage, you will not need to do anything with the exchanges. If you do not work sufficient hours to maintain your insurance benefits through the Laborers, you may be eligible to purchase coverage through the Marketplace. However, you will not be eligible for any type of discount, premium assistance, or tax credit in the Marketplace since we, as your employer, provide the opportunity for health care coverage through collectively bargained health care contributions.*

*If you do go to the Marketplace to complete an application for coverage, you will be asked to provide the information on the second and third pages of the notice. The information is numbered to correspond to the Marketplace application. If you have questions about your current eligibility through the Laborers plan, please contact the Ohio Laborers Benefits office at (800) 236-6437.*

To get a generic unmodified employee notice, you can go to [www.dol.gov/ebsa/healthreform/index.html](http://www.dol.gov/ebsa/healthreform/index.html). This website has two different model notices – one for employees that are offered insurance and one for employees that are not offered insurance. If you use one of the unmodified on-line model notices, you will need to complete the “How Can I Get More Information” section on page 1. Furthermore, if you choose to send Part B, you will need to complete all of page 2, not just the table on the top of page 2.

We have also enclosed some frequently asked questions and their corresponding answers for you to reference. Finally, the White House recently launched a website ([Business.U.S.A.gov/healthcare](http://Business.U.S.A.gov/healthcare)) to provide employers with Health Care Reform educational materials.

If you have any questions regarding Health Care Reform or more specifically the Marketplace Employee Notice, please do not hesitate to contact the **Ohio Laborers Benefits** office and ask to speak to a manager regarding health care reform.

Sincerely,

Ohio Laborers Benefits

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*The purpose of this mailing is informational only, please do not construe as legal advice.*

# 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 (*The Patient Protection and Affordable Care Act – PPACA*) 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 (*which also includes labor union insurance plans – such as the Ohio Laborers’ District Council – Ohio Contractors’ Association Insurance Fund – to which your employer makes insurance contributions on your behalf*).

#### **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 of each year for coverage starting as early as January 1<sup>st</sup> the following year.

#### **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 or contact the OLDC-OCA Insurance Fund, 800 Hillside Road, Westerville, OH 43081, (800) 236-6437.

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 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 employees covered by a collective bargaining agreement or participation agreement which requires contributions to the OLDC-OCA Insurance Fund.

■ With respect to dependents:

We do offer coverage. Eligible dependents are:

Your current legal spouse, your child who is under age 26 (biological child, stepchild, child who is an alternative recipient under a Qualified Medical Child Support Order or a National Medical Support Notice, child for whom you have been appointed permanent legal guardian or granted custody), and an unmarried child over age 26 who is permanently and totally disabled

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 they 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)

## **Employer FAQ's**

### **Regarding Marketplace Employee Notice**

#### **What is the Employee Notice?**

Section 1512 of the Patient Protection and Affordable Care Act requires each employer to provide to its current employees and any newly hired employees a notice which includes:

1. Informing the employee of the existence of the Marketplace (referred to in the statute as the Exchange) including a description of the services provided by the Marketplace, and the manner in which the employee may contact the Marketplace to request assistance;
2. If the employer plan's share of the total allowed costs of benefits provided under the plan is less than 60 percent of such costs, that the employee may be eligible for a premium tax credit under section 36B of the Internal Revenue Code (the Code) if the employee purchases a qualified health plan through the Marketplace; and
3. If the employee purchases a qualified health plan through the Marketplace, the employee may lose the employer contribution (if any) to any health benefits plan offered by the employer and that all or a portion of such contribution may be excludable from income for Federal income tax purposes.

#### **Who do we give the notice to?**

The sample notice provided by **Ohio Laborers Benefits** is designed specifically for participants of the Ohio Laborers' District Council – Ohio Contractors' Association Insurance Fund. However, a notice is required to be distributed to all employees, regardless of job title. If you have employees that are not members of this Insurance Fund, the notice will need to be edited to include the appropriate information.

#### **When does the notice need to be distributed?**

October 1, 2013 to current employees and to each new employee hired after October 1, 2013 within 14 days of the new employee's start date.

#### **The effective date of the Employer Responsibility portions of Health Care Reform have been delayed until January 1, 2015 – does this mean we don't have to send out the Employer Notice until then?**

No. This notice is to inform individuals of their responsibilities and opportunities in the new Insurance Marketplace. The deadline for distributing this notice to current employees is still October 1, 2013.

#### **Do we have to use the sample notice provided by Ohio Laborers Benefits?**

No. The Department of Labor has provided two different model notices – one for employees that are offered insurance and one for employees that are not offered insurance (available at [www.dol.gov/ebsa/healthreform/index.html](http://www.dol.gov/ebsa/healthreform/index.html)). The difference between the two model notices is the information provided in Part B.

#### **Do we have to complete the employer information section in Part B of the notice?**

No. The only part of the notice that is required by the DOL to be distributed is Part A of the notice. However, if any of your employees choose to apply for insurance through the Marketplace, they will need the information provided by Part B.

### **Where do we get the information to answer Part B Question 13?**

This question deals with insurance eligibility periods. Because this is Protected Health Information under HIPAA laws, Ohio Laborers Benefits cannot release the information. The member can have this section completed by contacting the Ohio Laborers Benefits office at (800) 236-6437. Members can also view this information through the NETime Benefits® Login Page available through [www.olfbp.com](http://www.olfbp.com).

### **Why would our employee seek Marketplace coverage?**

The "Individual Responsibility" provisions of the Affordable Care Act will require individuals to maintain insurance coverage throughout the year. There may be certain periods where individuals are not eligible for insurance through the OLDC-OCA Insurance Fund, such as:

- The initial eligibility period (i.e. before a laborer works 450 hours in covered employment);
- When working hours are insufficient to maintain coverage under the OLDC-OCA Insurance Fund;
- During lay-off periods when there are no laboring hours worked (as an alternative to COBRA payments); or
- Upon retirement.

### **If the DOL has model notices available, why should I use one created by Ohio Laborers Benefits?**

The model notices created by the DOL are designed for a participant in a single-employer group health plan, such as a corporate plan. Ohio Laborers Benefits feels that this notice can be confusing for a participant of a multiemployer insurance plan such as the OLDC-OCA Insurance Fund. Ohio Laborers Benefits feels that the additional language in its notice, when accompanied by a cover letter with the sample language presented, will be more informative to its members. This will help reduce questions you receive from your employees about the notice.