



Richard J. Berry, Mayor

City of Albuquerque

Human Resources Department

September 20, 2013

To: All City of Albuquerque Employees

From: Mark A. Saiz, Manager
Insurance & Benefits Division
Human Resources Department

Subject: Important Notice from City of Albuquerque about the Affordable Care Act, the Health Insurance Marketplace, and Our Medical Plan

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 Healthcare 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 (505) 768-3758 o visite este sitio web www.cuidadodesalud.gov.

Dear employee, what this says is that if you do not understand the information in this document, please contact the Insurance & Benefits Office at (505) 768-3758 or visit this website for healthcare reform information in Spanish.

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 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."

PLEASE NOTE: If you are covered under the medical plan (Presbyterian) offered by City of Albuquerque, YOU DO NOT NEED TO SHOP FOR INSURANCE IN THE MARKETPLACE.

If you need assistance understanding this Notice, please contact the Insurance & Benefits Division at (505) 768-3758.

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

As part of the Affordable Care Act, starting January 1, 2014*, most taxpayers will be required to maintain medical plan coverage or pay a tax penalty (applied on their personal income tax filing). **The tax penalty for 2014 for failing to maintain coverage (referred to as an individual shared responsibility mandate) is the greater of: \$95 per adult (\$47.50 per child), up to \$285 per family (3x the single penalty) or, 1.0% of taxable income.**

This means that by electing medical coverage (either through your employer, your spouse, Domestic Partner, 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) for not having medical plan coverage. It may also be helpful to discuss this individual mandate with your tax advisor.

***For employees and eligible dependents who are currently NOT enrolled in medical coverage; The City of Albuquerque will allow an employee and their spouse/Domestic Partner and dependent children who are eligible, to enroll in the group medical health plan (Presbyterian) in November 2013 (effective date of January 2014) to avoid individual mandate tax penalties beginning in January 2014.**

THE HEALTH INSURANCE MARKETPLACE

You will see in the Notice (attached to this cover letter) that the Health Insurance Marketplace is a new place to purchase medical plan coverage. The open enrollment period for coverage in the Marketplace begins soon, in October 2013. Coverage under a medical plan you purchase from the Health Insurance Marketplace can begin as early as January 1, 2014.

ASSISTANCE WITH THE COST OF PREMIUMS ON THE HEALTH INSURANCE MARKETPLACE

Starting in October of 2013, 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 OPTION UNDER OUR HEALTH PLAN

For more detailed information about the benefits offered by the City of Albuquerque, please refer to your Medical Plan Document or review the Summary of Benefits and Coverage (SBC). These documents are located on our website at www.cabq.gov/humanresources/employee-benefits or you can call the Insurance & Benefits Division for assistance. 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 PLAN

We know that some employees (Temporary, Seasonal, Regular Employees scheduled to work less than 20 hours) are not eligible to enroll for coverage under our medical plan; however, we are required by law to distribute this Notice to all existing employees and all new employees. If you are not eligible to enroll for coverage under our medical plan you should take the opportunity to see if coverage under the Health Insurance Marketplace is a good option for you. If, you are not offered employer-sponsored coverage, you have the chance to qualify for premium assistance to help you buy that coverage in the Marketplace.

OTHER IMPORTANT INFORMATION

Since we are sending you a package of information about the Health Insurance Marketplace we thought this may also be a good time to provide you with some other important information. Included with this cover letter and notice about the Health Insurance Marketplace are the following documents:

- An updated HIPAA Privacy Notice
- Your annual Medicare Part D Notice of Creditable Coverage

DO WE HAVE YOUR MOST CURRENT CONTACT INFORMATION???

If you have changed your name, address, and/or phone number in the past 12 months, please update your address through Employee Self Service at eweb.cabq.gov and click on the Employee Self Service link OR visit Human Resources Department at 400 Marquette 7th floor Room 703 so we can update your contact information. **This is very important** since without your most current contact information you or your family members could miss out on the opportunity to receive a notice to elect COBRA coverage or other important benefits information. Also, **please let us know if you have** experienced a qualifying event such as marriage, divorce, birth of a child, or have a child/dependent that is no longer eligible for health care coverage.

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

Insurance & Benefits Division
400 Marquette (Old City Hall) 7th Floor Room 702
Phone Number: (505) 768-3758 Email: employeebenefits@cabq.gov
Or visit our website at <http://www.cabq.gov/humanresources/employee-benefits>

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



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 the **City of Albuquerque Insurance & Benefits Division (505) 768-3758**.

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 City of Albuquerque		4. Employer Identification Number (EIN) 85-6000102	
5. Employer address PO Box 1293		6. Employer phone number 505-768-3758	
7. City Albuquerque	8. State NM	9. ZIP code 87103	
10. Who can we contact about employee health coverage at this job? Insurance and Benefits Division of Human Resources Department			
11. Phone number (if different from above) Same		12. Email address Employee-benefits@cabq.gov	

Here is some basic information about health coverage offered by this employer:

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 that regularly work at least 20 hours each week:

- **With respect to dependents:**

- We do offer coverage. Eligible dependents are: a Spouse of an employee (must provide marriage certificate), Domestic Partner of an employee (must provide affidavit of Domestic Partnership) and the following categories of children of an employee or Domestic Partner who are under age 26 (must provide a birth certificate): natural child, stepchild, adopted child or child placed for adoption (placed in the employee's home and in process for being adopted by the employee, spouse or domestic partner), child under a Qualified Medical Child Support order (QMCSO), child under a legal guardianship court order (court document that shows the employee, spouse or domestic partner has full, permanent custody of the child). Children over age 26 may **continue** participating in the group insurance plans if they are physically or mentally handicapped and are not eligible for any other plan (this continuation is subject to normal enrollment guidelines and approval by the insurance carrier).
- 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. The above employer information is what you'll enter when you visit HealthCare.gov to find out if you can get a tax credit to lower your monthly premiums.