



County of Orange
California

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Dear County Employee:

The Affordable Care Act (ACA) required all U.S. citizens and resident aliens to have medical coverage beginning January 1, 2014 (or pay a penalty). To make affordable coverage available to everyone, the Federal government has created Health Insurance Marketplaces. On October 1, 2013 each state unveiled a "Health Insurance Marketplace" – which in California is called "Covered California." Residents may investigate health plans, and possibly enroll in a plan in their state's Marketplace. The Federal healthcare website, www.healthcare.gov, provides a link to the Marketplace for all 50 states. Information on the California marketplace can be found at www.coveredca.com.

What You Need to Know

- The federal government requires the County to send the enclosed notice to all its new employees.
- All medical plans (Cigna, Kaiser, Wellwise PPO, and Sharewell PPO) offered by the County of Orange meet the minimum essential coverage and minimum value standards set by the ACA and at least one plan meets the affordability requirement. **The Sharewell PPO plan meets the minimum value standard and is offered to employees at no cost;** full-time employees receive a bi-weekly credit on their paycheck and part-time employees who work 20 hours or more pay no premium for employee-only coverage.
- You (and your dependents) will most likely *not* be eligible for a subsidy or premium credit toward a Marketplace health plan because the County's Sharewell PPO plan meets the "minimum value" and "affordability" levels indicated in the enclosed Notice. This means County of Orange coverage likely provides a better value for you.
- Under the ACA, you will not be allowed to disenroll from your County health coverage in order to enroll in a Marketplace plan to qualify for a Marketplace premium credit.
- You can still buy private medical insurance through the Marketplace, but you probably won't qualify for a Marketplace discount on your monthly premium for a Covered California plan if you are eligible to receive coverage through the County's plans. Also, if you enroll in a Marketplace plan, the County will not make a contribution to your premiums for the Marketplace coverage and you'll pay for your coverage on an after-tax basis.

If You Want to Change Your County of Orange Health Plan...

- Unless you experience a Qualified Life Event, you may only change your County health coverage at Annual Open Enrollment which takes place in November each year. You may change your County health coverage at that time for an effective date of January 1.

(See reverse side)

If You Want to Shop for Marketplace Insurance ...

- Visit www.healthcare.gov to learn about the Marketplace and what plans are available.
- If you decide to apply for medical coverage through the Marketplace, you must submit an application during the government's Open Enrollment period in the Fall.
- Applications are available on www.healthcare.gov. Use the information on the enclosed notice to fill out the Employer section on the application.

If You Have Questions

For questions about the Marketplaces or applying for Marketplace coverage, call the Health Insurance Marketplace at 1-800-318-2596. For questions about your County of Orange health plan, call the Benefits Center at 1-866-325-2345 and follow the instructions to speak with a Benefits Specialist.

Sincerely,

Human Resource Services/Employee Benefits



New Health Insurance Marketplace Coverage Options and Your Health Coverage

PART A: General Information

"Health care reform" refers to the Affordable Care Act (ACA), which was passed in 2010. The law is intended to extend access to medical coverage to nearly everyone in the U.S., eliminate restrictions on key benefits, and help control the country's rising health costs. Starting January 1, 2014, the ACA required almost everyone in the U.S. to have health insurance or pay a penalty. This is called the **individual mandate**.

To help satisfy this requirement, there is 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.

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 takes place each Fall for coverage starting as early as January 1.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

Probably not. A subsidy is an amount of money that the government will put toward the cost for your medical coverage. However, to qualify for a subsidy, you must meet both of the following requirements:

- You don't have access to a plan that meets the ACA's benefit requirements, and
- You earn below a certain level of income.

Does County of Orange Health Coverage Affect My Eligibility for Premium Savings through the Marketplace?

Yes, at least one the medical plans offered by the County meets the ACA requirements for minimum value and affordability for employee-only coverage. **If you are eligible for medical coverage through the County, you will not be eligible for a tax credit through the marketplace.** However, if the County did not offer coverage to you at all or did not offer coverage that meets certain standards you could be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing. If the cost of a plan from your employer that would cover you (and not any other members of your family, e.g. employee-only coverage) 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.

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 County of Orange Benefits Center at 1-866-325-2345.

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. Information on the California marketplace, Covered California, can be found at coveredca.com.

You Need to Know THIS:

- Starting in 2014, you must have medical coverage, or you'll pay a penalty. This is called the **individual mandate**.
- The County of Orange will offer medical coverage to:
 - Full-time employees working 40 hours or more
 - Part-time employees working 20 hours or more
- The County of Orange offers medical coverage to your eligible dependents.
- You can get medical coverage through many sources, including the County (if eligible), your spouse's/partner's Company plan, private insurance, Medicare (if eligible), or the new public health care marketplaces.
- As a County of Orange employee, your best option to meet the individual mandate will likely be the County plans, if you're eligible. The plans available through the marketplaces are expected to be more expensive. (However, your spouse/partner may find that coverage through his/her employer is his/her best option.)

PART B: Information About Health Coverage Offered by the County of Orange

This section contains information about any health coverage offered by the County of Orange. 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 County of Orange		4. Employer Identification Number (EIN) 95-6000928	
5. Employer address 333 W. Santa Ana Blvd.		6. Employer phone number N/A	
7. City Santa Ana	8. State CA	9. ZIP code 92701	
10. Who can we contact about employee health coverage at this job? County of Orange Benefits Center			
11. Phone number (if different from above) 1-866-325-2345	12. Email address N/A		

Here is some basic information about health coverage offered by the County:

- As your employer, we offer health coverage to the following eligible employees:
 - Full-time employees working 40 hours a week and
 - Part-time employees working at least 20 hours per week
- We offer coverage to your dependents. Eligible dependents include your:
 - Spouse or domestic partner
 - Children under age 26, including step children, foster children, children placed for adoption, legally adopted children, and children of domestic partners. Children do not include any legally married spouse or domestic partner or children of your dependent child.
 - Incapacitated children age 26 and over who are dependent upon the participant for support and were incapacitated prior to their 26th birthday.
- The coverage offered by the County of Orange meets the minimum value standard, and your cost for this coverage is intended to be affordable, based on employee wages.

If you decide to shop for coverage in the Marketplace, [HealthCare.gov](https://www.healthcare.gov) will guide you through the process.

* 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).