

CLAREMONT UNIVERSITY CONSORTIUM



MEMORANDUM

BENEFITS ADMINISTRATION

TO: Faculty and Staff of The Claremont Colleges

FROM: Carol Saldivar, Benefits Manager
CUC – Benefits Administration

SUBJECT: Affordable Care Act – HealthCare Reform Public Exchange Notice

The Affordable Care Act (ACA, also known as “Health Care Reform”) was passed in 2010. This law is intended to extend access to medical coverage to nearly everyone in the U.S. and eliminate restrictions on key benefits.

The ACA requires that your employer provide you with the enclosed notice, which describes the new health insurance marketplaces. A “health insurance marketplace” is an online, government-sponsored public shopping site where you can buy health insurance. The notice also describes how our medical plans meet ACA affordability and benefits requirements for employees who work 30 hours or more per week.

Please read the following carefully, as well as the attached notice. Please note that while we are legally required to provide the attached notice, **no action is required if you have medical coverage from The Claremont Colleges.**

What the ACA Means for You in 2014

Effective January 1, 2014, the ACA requires that almost all U.S. citizens be enrolled in medical coverage or pay a penalty. This requirement is called the **individual mandate**. In order to meet the individual mandate, you have several options:

1	Enroll for Claremont Colleges Medical Coverage	If you're eligible for medical coverage through The Claremont Colleges and you enroll in one of our medical plans for 2014, you'll meet the individual mandate requirement. That's because The Claremont Colleges offers medical coverage that meets ACA cost and coverage requirements.
2	Enroll for Coverage through Your Spouse/Domestic Partner or Parent	If you're not eligible for a Claremont Colleges medical plan, you can also consider coverage through a plan offered by your spouse or domestic partner's employer, or your parent's employer, if available.

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3	Purchase Coverage through a Private Insurance Plan	You may satisfy the individual mandate by purchasing coverage through a private insurance plan.
4	Enroll for a Government-Sponsored Program	If you meet certain age, disability, income or other qualifications, you may be eligible for a U.S. government funded medical program, such as Medicare or Medicaid. Find out if you qualify for Medicare or Medicaid at www.cms.gov .
5	Purchase Coverage through a Health Insurance Marketplace	The health insurance marketplaces will offer plans that help you meet the individual mandate. The enclosed notice provides more information about the marketplaces. In general, there will be different levels of health insurance to choose from — each with different levels of cost sharing. Unless you qualify for a subsidy, you pay 100% of the premiums when you enroll in a plan through a marketplace. You can visit the federal government's health care website (www.HealthCare.gov) for a list of the available federal marketplaces and to see if you qualify for a subsidy. You can also visit www.coveredca.com to learn more about California's marketplace.
6	No Coverage	You may choose not to have any health insurance in 2014. However, if you choose to be uninsured in 2014, you will pay a tax penalty when you file your 2014 taxes. (To determine your potential tax penalty, go to www.HealthCare.gov).

For More Information

More information about the ACA and the health insurance marketplaces is available on the federal government's website www.HealthCare.gov. You can also visit www.coveredca.com to learn more about California's marketplace.

We encourage you to consider all of your options carefully to make the best decision about medical care for you and your family.



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 will require 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 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.

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?

Probably not. You pay the full cost of coverage when you purchase a plan through a Marketplace. That said, you may be eligible for a subsidy, which 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 The Claremont Colleges Health Coverage Affect My Eligibility for a Subsidy through the Marketplace?

Possibly. If you're eligible for coverage through The Claremont Colleges, you most likely will not be eligible for the subsidy through the Marketplace because at least one of the medical plans offered by The Claremont Colleges meets ACA requirements for minimum value and affordability for employee-only coverage. However, if you're not eligible for medical coverage through The Claremont Colleges, you may be eligible for a subsidy that lowers your monthly premium for coverage purchased through the Marketplace. Alternatively, you may qualify for Medicaid depending on your household income.

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by The Claremont Colleges, then you will lose the employer contribution (if any) toward the cost of medical coverage offered by The Claremont Colleges. That's because you pay the full cost of plans purchased through a Marketplace. Additionally, employer contributions – as well as your contribution toward 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 The Claremont Colleges, please check your summary plan description or contact: Claremont University Consortium, Benefits Administration, (909) 621-8151.

You Need to Know THIS:

- In 2014, you must have medical coverage, or you'll pay a penalty. This is called the **individual mandate**.
- In 2014, The Claremont Colleges will offer medical coverage to:
 - Full-time employees working 30 hours or more, and
 - Part-time employees working 20 hours or more
- The Claremont Colleges offers medical coverage to you and your eligible dependants.
- You can enroll for medical coverage through many sources, including The Claremont Colleges (if eligible), your spouse's/partner's employer plan, private insurance, Medicare (if eligible), or the new public health care marketplaces.
- As a Claremont Colleges employee, your best option to meet the individual mandate will likely be The Claremont Colleges plans, if you're eligible. The plans available through the marketplaces are generally expected to be more expensive. (However, your spouse/partner may find that coverage through his/her employer may be his/her best option.)

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit [HealthCare.gov](https://www.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](https://www.coveredca.com).

PART B: Information About Health Coverage Offered by The Claremont Colleges

This section contains information about any health coverage offered by The Claremont Colleges. 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 Claremont University Consortium – The Claremont Colleges		4. Employer Identification Number (EIN)	
5. Employer address 101 S. Mills Avenue		6. Employer phone number (909) 621-8151	
7. City Claremont		8. State CA	9. ZIP code 91711
10. Who can we contact about employee health coverage at this job? Benefits Administration			
11. Phone number (if different from above) (909) 621-8151		12. Email address benefits@cuc.claremont.edu	

Here is some basic information about health coverage offered by The Claremont Colleges:

- As your employer, we offer health coverage to full-time employees working 30 hours a week
- We offer coverage to your dependents. Eligible dependents include your:
 - Spouse or California registered 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 Claremont Colleges 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).