

**California Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Notice about the New Health Insurance Marketplace Coverage Options and Employee Health Coverage	REFERENCE NUMBER: PML 2013-030
DATE ISSUED: 9/4/2013	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff**

FROM: California Department of Human Resources
Benefits and Training Division

CONTACT: Michelle Garbato
Health Policy Analyst
(916) 323-0862
Email: Michelle.Garbato@calhr.ca.gov

The purpose of this memorandum is to inform Human Resources staff of a requirement by the U.S. Department of Labor that employers issue a notice to employees about the new Health Insurance Marketplace created under the Affordable Care Act (ref. Department of Labor Technical Release No. 2013-02, dated May 8, 2013). The Marketplace helps individuals and small businesses shop for, select, and enroll in high-quality, affordable health plans and also assists eligible individuals in receiving premium tax credits or coverage through other federal or state health care programs. The Marketplace in California is known as "Covered California," operated by the California Health Benefit Exchange.

Distribution Requirements

Departments must provide the Notice to all existing employees, regardless of their health plan enrollment status or part-time or full-time employment status. This also includes employees on disability leave, leave of absence, etc.

This Notice must be distributed to all employees no later than October 1, 2013. New employees hired after October 1, 2013, must also receive the Notice within 14 days of the start of their employment. Departments may distribute the Notice to employees by interoffice mail, first-class mail, or under the circumstance described below, electronically. For electronic distribution, employees must use a computer as part of their daily, normal job function or have consented to electronic delivery in a manner that demonstrates that they can effectively receive the notice via electronic delivery, per the Department of Labor electronic disclosure safe harbor (ref. 29 CFR 2520.104b-1(c)).

The Notice may also be included with new hire packets, health enrollment materials, or other existing communications, provided that the Notice and the other materials are delivered in the manner and timeframe required.

Employer Information

There are several sections within the Notice that need to be completed prior to distribution (please refer to the attached sample for reference). It is important that this information be accurate and complete, as it will be used by employees to complete applications for obtaining coverage through Covered California and for Covered California to validate information provided on applications.

Two editable versions of the Notice can be found in the HR Net section of the CalHR website at: <http://www.dpa.ca.gov/pie/main.htm>.

- Notice Version A is for departments that process payroll under the State Controller's Office;
- Notice Version B is for departments that process their own payroll or have a third-party payroll processor.

Within the Notice, departments will need to:

1. Copy and paste their departmental letterhead into the empty header space provided in the Notice. *The Notice should not be copied and pasted into a blank copy of their departmental letterhead, as this may alter document formatting;*
2. Complete "Part B - Information about Health Coverage Offered by Your Employer," which includes information such as:
 - **Employer Name:** Enter the name of the Department in box 3 of the Notice;
 - **Employer Identification Number (EIN):**
 - Departments that process payroll under the State Controller's Office must use Notice Version A. The EIN 94-6001347 is hard coded into box 4 in this version of the Notice;
 - Departments that process their own payroll or have a third-party payroll processor must use Notice Version B. Enter the departmental EIN used for tax reporting purposes (e.g., W-2 forms) in box 4 of the Notice;
 - **Employer Address (including city, state, and zip code):** Enter the employer address in box 5 and the employer's city, state and zip code in boxes 7-9 of the Notice. If the department has employees that work in different locations beyond headquarters, enter the address, city, state, and zip code of the employee's specific work location;
 - **Employer Phone Number:** Enter the employer phone number in box 6 of the Notice. If the department has employees that work in different locations beyond headquarters, enter the phone number of the employee's specific work location;
 - **Employer Contact Information:** Enter the departmental contact (e.g., Health Benefits Officer, Personnel Officer) that is qualified to verify employee employment and healthcare information, should Covered California or Internal Revenue Service request it. This includes entering the departmental contact's name, phone number, and email address in boxes 10-12 of the Notice.

Health Benefits Eligibility

The Notice specifies which employees are eligible for health benefits through the California Public Employees Retirement System (CalPERS). Although not a required element of the Notice, it bears revisiting, for your information, that the following employees and dependents are not eligible for health benefits.

Employees not eligible for health benefits:

- Employees whose appointment tenure is Temporary (*except for TAUs*);
- Employees appointed to a Limited Term of 6 months or less;
- Part-Time employees appointed to a time-base of less than half-time;
- Employees appointed to an intermittent time-base, except for Permanent Intermittents who work the required hours during a control period. Limited Term and Temporary Intermittents are not eligible for benefits, regardless of their hours of work.

Dependents not eligible for health benefits:

- Former spouses and former registered domestic partners are not eligible under any circumstances (*even if the employee was court-ordered to provide the ex-spouse/former domestic partner with health coverage*);
- Children age 26 and older;
- Children of former spouses/registered domestic partners;
- Disabled adult children age 26 or older who were not enrolled prior to age 26;
- Relatives such as grandchildren, grandparents, parents, aunts, uncles, nieces, nephews, etc.;
- Foster children;
- Spouses/domestic partners of adult children;
- Live-in boyfriend or girlfriend and his/her children;
- Anyone already enrolled in a CalPERS health plan through another subscriber.

The State's cost for 2013 health benefits is approximately \$12,000 per employee. It is incumbent on departments to ensure that ineligible employees or dependents are not placed or maintained on the health benefits roll.

More Information

For more information, employees should contact Covered California directly at (888) 975-1142 with questions regarding the Health Insurance Marketplace. Personnel Offices may contact Michelle Garbato at (916) 323-0862 or Michelle.Garbato@calhr.ca.gov with questions regarding this PML.

/s/ Greg Beatty

Greg Beatty, Chief
Benefits and Training Division

Paste Departmental Letterhead Here

New Health Insurance Marketplace Coverage Options and Your Health Coverage Notice

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. Receipt of this notice does not confirm you are eligible for health coverage by your employer. Please refer to Part B below and to your departmental Human Resources Officers for eligibility requirements.

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 in California is known as "Covered California." Covered California 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 Covered California 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 Covered California 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 percent 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 health coverage through Covered California instead of accepting health coverage offered by your employer, you may lose the employer contribution (if any) towards the employer-offered coverage. Also, the employer contribution as well as your employee contribution towards the employer-offered coverage is often excluded from income for federal and State income tax purposes. Your payments for coverage through Covered California are made on an after-tax basis.

How Can I Get More Information?

For more information about health coverage offered by your employer, please check your summary plan description or contact your department’s Personnel Office. For information about health coverage offered by Covered California, please visit www.Coveredca.com or call (888) 975-1142.

PART B: Information about Health Coverage Offered by Your Employer

This section contains information about health coverage offered by your employer. If you decide to complete an application for coverage through Covered California, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer Name Click here to enter text.		4. Employer Identification Number (EIN) Click here to enter text.	
5. Employer Address Click here to enter text.		6. Employer Phone Number Click here to enter text.	
7. City Click here to enter text.	8. State Click here to enter text.	9. ZIP Code Click here to enter text.	
10. Who can we contact about employee health coverage at this job? Click here to enter text.			
11. Phone number (if different from above) Click here to enter text.		12. Email Address Click here to enter text.	

The following employees are eligible for health benefits:

- Permanent Full-Time;
- Permanent Part-Time, if appointed half-time or more;
- Permanent Intermittent, after working >480 hours in control period;
- Limited Term of more than 6 months, Full-Time; and,
- Limited Term of more than 6 months, Part-Time, only if appointed to Time Base of half-time or more (*Limited Term Intermittents are not eligible, regardless of their hours of work*).

The following dependents are eligible for health benefits:

- Your spouse or registered domestic partner;
- Your children (*including adopted, step, or registered domestic partner's children*) up to age 26;
- Disabled adult children of any age if they were enrolled prior to age 26; and,
- Children up to age 26 for whom the employee has assumed a parent-child relationship and is considered the primary care parent. (*Note: You will be asked to supply appropriate forms of documentation to certify this relationship.*)

This coverage meets the minimum value standard and the cost of this coverage to you is intended to be affordable based upon employment wages. However, even though we intend your coverage to be affordable, you may still be eligible for a premium discount through Covered California. Covered California 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), if you are newly employed mid-year or if you have other income losses, you may still qualify for a premium discount.

If you do decide to shop for coverage through Covered California, you will need the employer information to determine if you are eligible for a premium tax credit to lower your monthly premiums.

Please contact Covered California directly at (888) 975-1142 with questions regarding the Health Insurance Marketplace. Please contact your departmental Human Resources Office for clarification on information contained in this memorandum.