

BAKERSFIELD CITY SCHOOL DISTRICT

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New Health Insurance Marketplace Coverage Options and Your Health Coverage

When key parts of the health care law took effect in 2014, there was 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 The Bakersfield City School District, Identification Number 95-6000671. **Please note that this notice is informational only.**

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 for coverage starting as early as January 1. **This is not in any way related to the District Open Enrollment or Coverage.**

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 does not meet certain standards. The savings on your premium that you are eligible for depends on your household income. **This does not affect the rate of the District offered plans.**

Does Employment-Based Health Coverage Affect My 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, if you are eligible. **(Just because you received this notice does not mean you are eligible for the Bakersfield City School District 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 your cost for self-only coverage under the Bakersfield City School District health plan 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. 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 cost.

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 (if any) 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 the Bakersfield City School District, please check your summary plan description or contact: Sandra Silva, Health Benefits Supervisor at silvas@bcsd.com, 1300 Baker St., Bakersfield, CA 93305, (661)631-4722, or visit www.bcsd.com/healthbenefits.

For more information about coverage offered through the Marketplace please visit HealthCare.gov.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. You will also be able to obtain an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide certain information about the health coverage offered by the Bakersfield City School District. You can obtain this information by contacting the individual listed above or visit www.bcsd.com/healthbenefits.

Employee Frequently Asked Questions (FAQs) on the Marketplace

Q: Why was the notice titled “New Health Insurance Marketplace Coverage Options and Your Health Coverage” sent to me?

A: As a part of the Affordable Care Act (ACA) that was passed in 2010, employers are required to provide this notice to all employees regardless of whether or not they are eligible to participate in Employment-Based Health Plans. This notice of the soon-to-launch Marketplace (also known as Exchanges) must be provided to all employees by October 1, 2013.

Q: Why is the Marketplace being established?

A: Under the ACA, beginning January 1, 2014 individuals will be required to have minimum essential health coverage, or else be subject to a penalty. This is referred to as the “individual mandate.” The Marketplace is intended to help individuals meet the individual mandate requirement by providing another place to purchase coverage, and possibly qualify for federal assistance to do so. Information and details are available at HealthCare.gov

Q: Do I have to purchase health coverage through the Marketplace?

A: No. You may still obtain health coverage from other sources.

Q: What if I am covered under my employer’s plan? Can I keep it?

A: Yes. Most Employment-Based Health Plans will qualify as the coverage required under the individual mandate requirements. You do not need to purchase coverage through the Marketplace in order to avoid the individual mandate penalty.

Q: Can I drop myself or my dependents from my Employment-Based Health Plan to purchase a plan through the Marketplace or outside of the Marketplace?

A: In some cases, yes, but in many cases, no. Employment-Based Health Plans have very specific rules around enrollment. In general, special enrollment and disenrollment are permitted during the year based on events such as marriage, divorce and the birth of a child. Generally, employees may not change unless the employee experiences a change in status allowed by the Employment-Based Health Plan.

Q: How do I know if I qualify for assistance to purchase my coverage through the Marketplace?

A: Individuals who are not offered qualifying healthcare coverage through their employer may be eligible for government subsidies to help pay for health insurance premiums for plans purchased in the Marketplaces. Subsidies are based on the household income level and how many dependents you have. If your employment-based health plan is considered affordable according to government definition and meets minimum value requirements, you won't be eligible for government subsidies on premiums in the Marketplace. This is true regardless of your household income and family size. As state Marketplace sites are launched over the next months, you will be able to get details about a possible subsidy.

The intent of this document is to provide general, not specific, information regarding the provisions of Affordable Care Act (ACA). It should not be construed as, nor is it intended to provide, legal or financial advice.