



CITY OF SOMERVILLE, MASSACHUSETTS
HUMAN RESOURCES OFFICE
MCVLCNA BALLANTYNE
MAYOR

ANNE GILL
DIRECTOR

ELLEN COLLINS
DEPUTY DIRECTOR

To: City of Somerville employees

From: Barbara Brown, Benefits Manager

Re: Benefit Information - Notice of Exchange Options under the Affordable Care Act (ACA)

Under the federal Affordable Care Act, the City of Somerville is required to notify all employees of their health coverage options by October 1, 2013, including the availability of coverage through the Health Insurance Marketplace (in Massachusetts, the Massachusetts Health Connector).

The attached notice will provide some basic information concerning your current coverage and the availability of other coverage to assist you in comparing your options. Note that most GIC-eligible employees are not eligible for tax credits toward Marketplace or Connector coverage. Those who are low income and face high premium costs (e.g., because they are low income and live out of state) might be eligible for tax credits toward Marketplace or Connector coverage; the Notice will have contact information regarding this.

Please note: There are no changes to your Group Insurance Commission (GIC) coverage at this time. GIC Open Enrollment for these plans will remain as is *during the month of April – May for a July 1st effective date.*

If you have any questions, please feel free to contact the Benefits Line at 617-625-6600 X 3324.





**Notice of Exchange Options
for GIC entities with § 125 plans**

YOU ARE RECEIVING THIS NOTICE AS REQUIRED BY THE NEW NATIONAL HEALTH REFORM LAW (ALSO KNOWN AS THE AFFORDABLE CARE ACT OR ACA)

This notice tells you about health insurance Marketplaces (in Massachusetts, the Health Connector). If you are eligible for GIC insurance through your employer, **you are not eligible for tax credits toward a Health Connector plan**, except in rare cases where the least expensive individual GIC plan available to you costs more than 9.5% of your household income.

Overview: When key parts of the national health reform law take effect in January 2014, there will be an easy way for many individuals and small businesses to buy health insurance: the Massachusetts Health Connector. Other states have equivalent Exchanges for their residents. This notice provides some basic information about the Health Connector, and how coverage available through the Health Connector relates to any coverage that may be offered by your employer. You can find out more by visiting: **MAhealthconnector.org** or, for non-Massachusetts residents, Healthcare.gov or (1-800-318-2596; TTY: 1-855-889-4325).

What is the Massachusetts Health Connector? The Health Connector is our state's health insurance Marketplace. It is designed to help individuals, families, and small businesses find health insurance that meets their needs and fits their budget. The Health Connector offers "one-stop shopping" to easily find and compare private health insurance options from the state's leading health and dental insurance companies. Some individuals and families may also qualify for a new kind of tax credit that lowers their monthly premium right away, as well as cost sharing reductions that can lower out-of-pocket expenses.

Open enrollment for individuals and families to buy health insurance coverage through the Health Connector begins Oct. 1, 2013, for coverage starting as early as Jan. 1, 2014. You can find out more by visiting **MAhealthconnector.org** or calling **1-877-MA ENROLL** (1-877-623-6765).

Can I qualify for federal and state assistance that reduces my health insurance premiums and out-of-pocket expenses through the Health Connector?

If your employer does not offer coverage to you, or offers coverage that doesn't meet certain standards as described above, and depending on your income, you may qualify for federal and/or state tax credits and other subsidies that reduce your premiums and lower your out-of-pocket expenses if you shop through the Health Connector. You can find out more about the income criteria for qualifying for these subsidies by visiting **MAhealthconnector.org** or calling **1-877-MA ENROLL** (1-877-623-6765).

QUESTIONS?

For more information about the Health Connector, please visit **MAhealthconnector.org** or call **1-877 MA-ENROLL** (1-877-623-6765) or TTY: 1-877-623-7773, Monday to Friday, 8:00 a.m. to 6:00 p.m.

For GIC entities with § 125 plans

Does access to employer-based health coverage affect my eligibility for subsidized health insurance through the Health Connector?

An offer of health coverage from your employer could affect your eligibility for these credits and subsidies through the Health Connector. If your income meets the eligibility criteria, you will qualify for credits and subsidies through the Health Connector if:

- **Your employer does not offer coverage to you, or**
- **Your employer does offer you coverage, but:**
 - Your employer’s offer of coverage for just you (not including other family members) would require you to spend more than 9.5 percent of your household income for the year; or
 - The coverage your employer provides does not meet the "minimum value" standard set by the new national health reform law (which says that the plan offered has to cover at least 60 percent of total allowed costs)

If you purchase a health plan through the Health Connector instead of accepting health coverage offered by your employer, please note that you will lose the employer contribution (if any) for your health insurance. Also, the amount that you and your employer contribute to your employer-sponsored health insurance is usually excluded from federal and state income taxes; Health Connector premiums have different tax treatment.

EMPLOYER-SPONSORED OPTIONS FOR HEALTH INSURANCE

Employer-Sponsored Health Coverage: Your employer offers employer-sponsored health insurance coverage that is affordable and meets a minimum value standard (according to federal standards) to at least some of its employees.

If you qualify for health benefits, you can find out more by contacting the GIC coordinator in your office.

If you do not qualify for health benefits, the Health Connector can help you evaluate coverage options, cost and eligibility. Please visit **MAhealthconnector.org** for more information, including an online application for health insurance coverage.

“Cafeteria Plan” Eligibility: Massachusetts employers with 11 or more full-time equivalent employees are required to offer a Section 125 plan, or “Cafeteria Plan.” These plans allow employees to pay for their health insurance on a pre-tax basis. This Massachusetts law requires employers to provide an option for their employees to buy health insurance with pre-tax income, even if those employees don’t qualify for a health insurance plan offered by the employer. This is done by setting up a pre-tax payroll deduction.

Your employer offers a Section 125 plan. Find out more by contacting or referring to:

Personnel Department, City of Somerville, Benefits Information Line at 617-625-6600 X 3324.

Note: If your state residence is not in Massachusetts, please go to www.Healthcare.gov for further information.

QUESTIONS?

For more information about the Health Connector, please visit MAhealthconnector.org or call 1-877 MA-ENROLL (1-877-623-6765) or TTY: 1-877-623-7773, Monday to Friday, 8:00 a.m. to 6:00 p.m.

For GIC entities with § 125 plans