



October 2013

New Health Insurance Marketplace Coverage Options and Your Health Coverage

Dear Pennsylvania State University Faculty or Staff member:

Key parts of the Affordable Care Act, also known as the health care reform law, go into effect January 1, 2014. The health care reform law will require an individual mandate for almost all Americans to have health care coverage by the effective date of January 1, 2014, or face paying a penalty tax. When the law goes into effect, there will be a new way to buy health insurance: the Health Insurance Marketplace (the "Marketplace"). To assist you as you evaluate options for you and your family, all employers are required by federal law to provide this notice which gives some basic information about the new Marketplace and employment-based health coverage.

What Is the Health Insurance Marketplace?

The Health Insurance Marketplace is a service that has been set up in each state where individuals and small businesses can buy affordable and qualified health insurance plans. Pennsylvania Gov. Tom Corbett has opted to have the state's health insurance marketplace facilitated by the federal government.

The Marketplace is designed to help individuals find health insurance that meets their needs and fits their budget by offering "one-stop shopping" to find and compare private health insurance options. All U.S. citizens and legal residents will have access to individual health insurance policies through the Marketplace in their state for plan years starting January 1, 2014.

Open enrollment for health insurance coverage through the Marketplace will be held from October 1, 2013 through March 31, 2014. To ensure that your coverage is active for the January 1, 2014, effective date, you will want to ensure you have selected an appropriate coverage prior to December 31, 2013.

Can Individuals Save Money on Health Insurance Premiums in the Marketplace?

Some people who do not have access to affordable, minimum value health care coverage through their employer may be eligible for a federal subsidy in order to make buying insurance through the Marketplace more affordable. The subsidy offered to these eligible individuals would be determined based on household income.

It's important to note that because Penn State's health plans meet the government's standards for minimum value and affordability, you will not qualify for a federal subsidy if you are eligible for Penn State's benefits. You will likely find more affordable coverage through Penn State health plans, if eligible, or through your spouse's employer plan or through your parent's employer plan, if available (if you are under the age of 26).

Does Employer Health Coverage Affect Eligibility for a subsidy through the Marketplace?

Yes. Individuals who have an offer of health coverage from their employer that meets certain standards (as Penn State's health coverage does) are not eligible for a subsidy through the Marketplace and may wish to enroll in their employer's health plan. Some people may be eligible for a subsidy that lowers their monthly premiums or provides cost-sharing discounts if their employer does not offer coverage at all or does not offer coverage that meets certain standards. If the cost of a plan from an employer *for employee-only coverage* is more than 9.5% of an employee's household income for the year, or if the coverage the employer provides does not meet the "minimum value" standard set by the health care reform law, an employee may be eligible for a tax credit.

What If I'm Not Eligible for Penn State's Health Plans?

If you are not eligible for Penn State's health plans, you should consider other options available to you, such as coverage through your spouse's employer plan, your parent's employer plan, Medicaid, Medicare or the Health Insurance Marketplace in your state. Enrollment in the Marketplace will begin in October. If you decide to enroll through the Marketplace, you will need to provide the Marketplace with the following information about Penn State and our plans:

Employer name: The Pennsylvania State University

Employer Identification Number EIN: 24-6000376

Employer address: 201 Old Main, University Park, PA 16802

Employer telephone number: (814) 865-1473

Name of contact for employee health coverage: Office of Human Resources, Employee Benefits Division

Phone number of contact (if different from above): (814) 865-1473

Email address of contact: benefits@psu.edu

Note: If you are a full-time, benefit-eligible Penn State employee and purchase a health plan through the Marketplace instead of accepting health coverage offered by Penn State, you will lose Penn State's contribution to the university-offered coverage. Also, this contribution – as well as your employee contribution to university-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.

Why is Penn State sending me this information?

The federal government requires all employers to provide this notice to their employees in an effort to raise awareness of the new Marketplace and to help them understand how having access to their employer's health care plan may limit their eligibility for tax credits in the Marketplace.

How Can I Get More Information?

Starting October 1, 2013, you can contact the health insurance marketplace at (800) 318-2596 [TTY: (855) 889-4325]. You may also visit their website at www.healthcare.gov, where they have a convenient online live chat available.

If you have questions on this information, please visit the Office of Human Resources Benefits website at <http://ohr.psu.edu/benefits/health-care-reform>; or e-mail benefits@psu.edu.

Please remember that starting January 1, 2014, the health care reform law will require almost all Americans to have health care coverage or be subject to a penalty tax.