

# abs tpa Today

August 2013

- What employers must comply?
- Notification deadline
- Acceptable form of communication
- What information must be included?
- Determining the minimum value standard
- Calculating affordability

For additional information, contact your sales representative:

#### MICHIGAN

Michael Dulapa  
(248) 341-3024

[mdulapa@ushealthandlife.com](mailto:mdulapa@ushealthandlife.com)

Dennis MacGillis  
(248) 341-3025

[dmacgillis@ushealthandlife.com](mailto:dmacgillis@ushealthandlife.com)

Michelle Mansfield  
(231) 414-4611

[mmansfield@ushealthandlife.com](mailto:mmansfield@ushealthandlife.com)

#### WISCONSIN / ILLINOIS

Jim Sawaya  
(262) 439-2074

[jsawaya@ushealthandlife.com](mailto:jsawaya@ushealthandlife.com)

Kerry Cook (WI)  
(262) 432-5193

[kcook@ushealthandlife.com](mailto:kcook@ushealthandlife.com)

Ken Buchholtz (IL)  
(847) 533-2132

[kbuchholtz@ushealthandlife.com](mailto:kbuchholtz@ushealthandlife.com)

#### INDIANA

Jeff Lewandowski  
(317) 670-0949

[jeffi@highlandassociates.com](mailto:jeffi@highlandassociates.com)

#### OHIO

Ken Uveges  
(440) 349-2210

[kenuveges@egp-inc.com](mailto:kenuveges@egp-inc.com)



## Notices on Availability of Health Insurance Through the Marketplace:

### *What you need to know*

The Affordable Care Act requires that all employers notify employees of the availability of health insurance through the Marketplace (a.k.a. "Exchange") by October 1, 2013.

The Department of Labor recently issued guidelines to assist employers in determining how and when to issue these notifications, as summarized below:

- Both large and small employers must comply, whether or not they provide health insurance to their employees.
- Notice must be provided to each new employee within 14 days of the start date.
- Notice must be provided in writing, in a manner deemed to be understood by an average employee.
- Delivery may occur via first-class mail, or by email only if consent has been obtained from employees prior to electronic delivery.
- A COBRA election notice will also be required, informing of coverage options available through the Marketplace.

PPACA requires employers to make three disclosures about the Marketplace:

**Basic Information.** The employer must inform employees of the existence of the Marketplace, the services provided by the Marketplace and how to contact or access the Marketplace.

**Minimum Value and Affordability.** The employer must inform employees whether the employer's offered plan(s) meet the "minimum value standard"-- meaning that the plan's share of the total allowed benefit costs covered by the plan can be no less than 60 percent of such costs of care.

The employer must also inform the employee whether the coverage is "affordable"-- meaning the out-of-pocket premium for the employee cannot exceed 9.5 percent of that person's income.

If the plan does not meet minimum standards or is unaffordable, the employer must further inform employees that they may be eligible for a premium subsidy or a cost-sharing reduction by purchasing coverage from the Marketplace.

**Ramifications.** The employer must inform employees that if they purchase coverage from the Marketplace, they may lose any available employer contribution for employer-sponsored health coverage.

**Letters notifying employers whether their ABS plan(s) satisfy the minimum value standard will be mailed in late August, along with model notices and guidance offered by the Department of Labor.**

DOL model notices are can be obtained online:  
For employers who offer health insurance:  
<http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>

For employers who do not offer health insurance:  
<http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>

Model COBRA notice and guidance:  
<http://www.dol.gov/ebsa/healthreform/index.html>

DOL bulletin "Guidance on the Notice to Employees of Coverage Options under Fair Labor Standards Act":  
<http://www.dol.gov/ebsa/newsroom/tr13-02.html>

**abs** AUTOMATED BENEFIT SERVICES

AUTOMATED BENEFIT SERVICES, INC. | Sales and Marketing Divisions

255 S Old Woodward Avenue, Suite 300 Birmingham, MI 48009-6182 (800) 211-1534 [www.abs-tpa.com](http://www.abs-tpa.com)