



CITY OF PROVIDENCE

Angel Taveras, Mayor

Understanding Health Care Reform

Dear City of Providence Employee:

Included in this mailing is an important legally required notice that helps you understand the implications of Health Care Reform for 2014.

Since the law's passage, the City of Providence has been making the required changes to remain in compliance with Health Care Reform regulations. These changes include removing lifetime maximum benefit amounts and covering dependents up to age 26 regardless of student status.

For 2014, an important component of Health Care Reform will affect small businesses and individuals.

Beginning January 1, 2014, most individuals will be required to have health care coverage or pay a tax penalty. Health Care Marketplaces (formerly called "exchanges") will offer individuals the option to directly purchase health care coverage from providers. The coverage available to you as permanent full time employees through the City of Providence is more comprehensive and more affordable than coverage available in a marketplace.

It is important to understand that, because our health care coverage meets certain affordability requirements under the law, **employees who are eligible for a City of Providence health plan will likely not qualify for public assistance in paying for coverage.**

With few exceptions, the law requires individuals to have health care coverage starting January 1, 2014. If you do not have coverage, you may pay a tax penalty when you file your 2014 income taxes in 2015.

It is important to think now about where you, your spouse, your children, and other family members may get coverage in 2014.

For more details about how this provision of Health Care Reform affects you, read the included notice and visit <http://HealthCare.gov> -- the government's Health Care Reform website.

Sincerely,

Margaret M. Wingate
Manager of Employee Benefits

HUMAN RESOURCES

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New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 11-30-2013)

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.

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 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 the Marketplace 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% 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.¹

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 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 your employer, please check your summary plan description or contact

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ 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 costs.

PART B: Information About Health Coverage Offered by Your Employer

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

3. Employer name City of Providence		4. Employer Identification Number (EIN)	
5. Employer address 25 Dorrance St.		6. Employer phone number 1-401-421-7740	
7. City Providence	8. State RI	9. ZIP code 02903	
10. Who can we contact about employee health coverage at this job? For City employees, please contact Sue Brophy at 401-421-7740 extension 278. For School employees, please contact John Glascom at 401-421-7740 extension 281.			
11. Phone number: Please refer to #10.	12. Email address For City employees, please contact Sue Brophy at sbrophy@providenceri.com . For School employees, please contact John Glascom at jglascom@providenceri.com .		

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:

All employees.

Some employees. Eligible employees are:
All permanent full time employees

- With respect to dependents:

We do offer coverage. Eligible dependents are:

- Your spouse
- Qualified Dependents

We do not offer coverage.

If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

** Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace 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 or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.