



# Colorado

## Department of Personnel & Administration

### Division of Human Resources

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## SUMMARY OF NOTICE

Attached to this Summary is a Notice entitled the “**New Health Insurance Marketplace Coverage Options and Your Health Coverage.**” This Summary and Notice have information about the new [Health Insurance Marketplace](http://www.healthcare.gov) ([www.healthcare.gov](http://www.healthcare.gov)), open enrollment and possible savings for individuals who qualify on premiums in the Marketplace. The Health Insurance Marketplace is also referred to as the “Exchange.”

If you are covered under a medical plan offered by the State of Colorado, you do not need to shop for insurance in the marketplace. However, there may be potential tax advantages offered through the Marketplace; please refer to page 2 and 3 of this letter.

### **STARTING JANUARY 1, 2014 AMERICANS WILL HAVE A NEW INDIVIDUAL SHARED RESPONSIBILITY MANDATE**

As part of the Affordable Care Act, starting January 1, 2014,\* most taxpayers will be required to maintain plan coverage or pay a tax penalty (applied on their personal income tax filing). The tax penalty for failure to maintain coverage (referred to as an individual shared mandate) is the greater of a flat dollar amount or a percentage of your household income.

This means that by electing medical coverage (either through the State of Colorado, your spouse's insurance, through a government-sponsored program like Medicare or Medicaid, or through the Health Insurance Marketplace), you may avoid paying the new individual shared responsibility mandate on your personal income tax filing. If you are not required to file a tax return for a year, you are automatically exempt from owing a shared responsibility payment for that year and do not need to take any further action to secure an exemption.

You will need to determine if it is best for you and your dependents to:

- Enroll in, or keep coverage under the State of Colorado Employee Group Medical Plan;
- Enroll in Medicaid - with the expansion of Medicaid in Colorado, may be a viable alternative for some employees;
- Enroll in coverage through the Health Insurance Marketplace; or
- Forego coverage and pay the personal income tax penalty for not having medical plan coverage that meets the requirements of ACA.

*\*The IRS will allow an employee and their spouse and dependent children who are eligible to enroll in a non-calendar year employer-sponsored health plan to avoid the individual mandate tax penalties for the months between January 1, 2014 and the month that the State of Colorado 2014 plan year begins.*

*The State of Colorado medical plan year starts on July 1, 2014. Employees currently not covered by the State of Colorado Employee Group Medical Plan may enroll in one during the next open enrollment period beginning April 2014, for coverage effective on July 1, 2014 and therefore avoid the individual mandate tax penalties.*

It may also be helpful to discuss this individual mandate with your tax advisor. Additional information on the Health Insurance Marketplace can be found at [www.healthcare.gov](http://www.healthcare.gov).

### **THE HEALTH INSURANCE MARKETPLACE**

You will see in the attached Notice that the Health Insurance Marketplace is a new place to purchase medical plan coverage. The open enrollment period to apply for coverage in the Marketplace begins October 1, 2013 and will continue through March 31, 2014. Coverage under a medical plan you purchase from the [Health Insurance Marketplace](http://www.healthcare.gov) can begin as early as January 1, 2014.

#### Division of Human Resources

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[www.colorado.gov/dpa](http://www.colorado.gov/dpa)

## **Assistance with the Cost of Premiums on the Health Insurance Marketplace**

Starting in October 2013, individuals who apply for health insurance coverage through the Health Insurance Marketplace may qualify for financial assistance to help pay for that coverage. Depending on annual household income, certain individuals may be eligible for premium assistance (such as a premium tax credit or a cost-sharing subsidy) to help lower the amount they pay toward monthly health insurance premiums. If you do not qualify for premium assistance, you will be responsible for the full cost of Marketplace coverage. Individuals must apply for the premium assistance by completing an application form through the [Health Insurance Marketplace](#).

A few helpful points:

- If you are eligible to enroll in an employer-sponsored medical plan that is affordable and meets the required minimum value and decline that employer-sponsored coverage, premium assistance may not be available to help pay for the coverage in the Marketplace.
- Premium assistance will vary from person to person and depends on the amount filed by the household income of the taxfiler (and dependents), and other factors.
- The amount of the premium assistance declines as your income rises. If you have received more premium assistance than you may have been eligible to receive, an adjustment will be coordinated with the IRS (meaning you may have to repay part of the premium assistance you received if your income increases during the year).
- The Kaiser Family Foundation's website offers a premium assistance calculator at <http://kff.org/interactive/subsidy-calculator>.

## **HOW DOES THIS AFFECT MEDICAL BENEFITS OFFERED TO YOU AS AN EMPLOYEE OF THE STATE OF COLORADO**

- The State of Colorado Employee Group Medical Plan is affordable and meets the minimum value required under ACA. If you are covered by the State-sponsored medical plan, you do not need to shop for coverage in the Health Insurance Marketplace.
- If you elect a medical plan through the Health Insurance Marketplace, you will be permitted to drop your State-sponsored medical benefits without a qualifying event in order to enroll in coverage provided through the Health Insurance Marketplace during their open enrollment beginning October 1, 2013 and continuing through March 31, 2014. This will be available only during the current plan year and is permitted only once.
- However, if you elect a medical plan through the Health Insurance Marketplace, you will lose your State benefits including the State's contribution toward the cost of medical coverage provided to you. You will be responsible for the full cost of Marketplace coverage and your cost will be paid with post-tax dollars.
- If you opt out of coverage provided to you as an employee eligible for State benefits and that coverage is affordable and meets the minimum value, you will not be eligible to obtain premium assistance from the Marketplace; again, you will be responsible for the full cost of Marketplace coverage.
- You will not be able to re-enroll in the State-sponsored medical plan until the next open enrollment period if you drop your State coverage and later decide you prefer it over the Marketplace coverage.

## **For more Information about Medial Plan Options under the State of Colorado**

For detailed information about the benefits offered by the State of Colorado Employee Group Medical Plan, please refer to your benefits booklet or review the Summary of Benefits and Coverage (SBC) at [www.colorado.gov/dpa/dhr/benefits](http://www.colorado.gov/dpa/dhr/benefits).

## **If you currently are Not Eligible for Coverage under the State Medical Plan**

We know that some employees are not eligible to enroll for coverage under the State of Colorado Employee Group Medical Plan; however, we are required by law to distribute this Notice to all existing employees and all newly-hired employees. If you are not eligible to enroll in the State-sponsored medical plan, you should take the opportunity to see if coverage under the Health Insurance Marketplace is a good option for you. And, because you are not offered employer-sponsored coverage, you may qualify for premium assistance to help pay for coverage in the Marketplace.

**PLEASE MAKE CERTAIN WE HAVE YOUR MOST CURRENT CONTACT INFORMATION**

If you have changed your name, address, phone number or other contact information, please notify your agency's payroll or benefits unit so they can update your contact information. **This is very important** as your most current contact information for you and your family members is critical to receive notices alerting you to important changes coming under the new health care laws and other important benefits information. Also, please let us know if you have married, divorced, given birth, have a child who is no longer eligible for health care coverage under the State's medical plan or if you or your spouse have enrolled or disenrolled from Medicare.

**FOR MORE INFORMATION**

Additional resources relating to ACA and the Health Insurance Marketplace, including FAQs are available at [www.colorado.gov/dpa/dhr/aca](http://www.colorado.gov/dpa/dhr/aca).

If you have questions regarding the State of Colorado Employee Group Medical Plan, please contact the State of Colorado Employee Benefits Unit by email at [benefits@state.co.us](mailto:benefits@state.co.us) or by phone at 303-866-3434 or 1-800-719-3434.

*Please note that the State of Colorado cannot provide any additional information regarding insurance provided by the Exchange, however we can provide information about the State's benefit programs.*

*This document along with the attached Notice is intended to serve as your Employer Notice about the Health Insurance Marketplace, as required by law.*



# 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 and employment based health coverage offered by your employer.

### 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 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.<sup>1</sup>

**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 at [www.colorado.gov/dpa/dhr/benefits](http://www.colorado.gov/dpa/dhr/benefits) or contact [benefits@state.co.us](mailto:benefits@state.co.us)

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

<sup>1</sup> 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 State of Colorado		4. Employer Identification Number (EIN) 84-0644739	
5. Employer address 633 17 <sup>th</sup> Street, Suite 1600		6. Employer phone number 303-866-3434	
7. City: Denver	8. State: Colorado	9. ZIP code: 80202	
10. Who can we contact about employee health coverage at this job? Employee Benefits Unit			
11. Phone number (if different from above)		12. Email address benefits@state.co.us	

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

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

- All employees **except** temporary employees
- Some employees.

Temporary employees working more than 30-hours a week (or an average of 130-hours, or more per month) may be eligible for benefits the following plan year depending on how many consecutive months you are employed with the State of Colorado.

- **With respect to dependents:**

- We do offer coverage.

Eligible dependents are specified in statutes, primarily § 24-50-603(5) and (6.5), C.R.S., as modified or further defined by other state statutes (e.g., Title 10) or federal regulations (e.g., Affordable Care Act [ACA], IRC on taxable income):

- **Current spouse**, including common law spouse, **current same-gender domestic partner** who is an adult, at least 18 years of age, **current partner in a civil union** who is an adult, regardless of the gender of either party, at least 18 years of age.
- A **child** through the end of the month, in which the child turns age 26. The legal definition of child must be applied (e.g., first generation, parent-child relationship).
- A physically or mentally **disabled child** who is 26 years of age or older.

- 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.

If you decide to shop for coverage in the Marketplace, [HealthCare.gov](https://www.healthcare.gov) will guide you through the process. Here's the employer information you'll enter when you visit [HealthCare.gov](https://www.healthcare.gov) to find out if you can get a tax credit to lower your monthly premiums.