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Health Insurance Marketplace Employee Notifications

WHAT IS THE HEALTH INSURANCE MARKETPLACE?

The Health Insurance Marketplace (The Marketplace) — also called the Exchange — is a public website where individuals can compare and purchase health insurance plans. Each state will have its own Marketplace with the operations of the site falling under the jurisdiction of the state only, the state in partnership with the federal government, or under the federal government solely.

The initial open enrollment period for The Marketplace begins October 1, 2013 and ends on March 31, 2014. The Marketplace must begin offering coverage to individuals on January 1, 2014.

WILL MY EMPLOYEES USE THE MARKETPLACE TO PURCHASE HEALTH INSURANCE COVERAGE?

If your group health plan meets the criteria of the [Employer Shared Responsibility](#) provision of the Affordable Care Act (ACA), there may be little or no incentive for your eligible employees to go to The Marketplace for health care coverage. However, employees who are not eligible for your group health plan coverage may choose to purchase coverage from The Marketplace.

DO I NEED TO TELL MY EMPLOYEES ABOUT THE MARKETPLACE?

Yes. Under the ACA, employers are required to notify all current employees, in writing, no later than October 1, 2013, about the existence of the new Health Insurance Marketplace. Employees hired on or after October 1, 2013, must be given notice within 14 days of their date of hire.

Affordable Care Act Implementation Alert

The Affordable Care Act and your self-funded health plan

WHAT INFORMATION SHOULD BE IN THE NOTIFICATION?

Plan sponsors are required to provide written notification informing current employees and new employees of the following:

- the existence of The Marketplace;
- the employee's potential eligibility for federal premium assistance and cost-sharing reduction if your plan's share of the cost of the benefits is less than 60 percent and the employee purchases a qualified health plan through the Marketplace;
- the potential loss of the plan sponsor's contribution toward the employee's coverage — along with the associated tax advantages — if the employee chooses to purchase health insurance from The Marketplace.

IS THERE A SAMPLE EMPLOYEE NOTIFICATION LETTER AVAILABLE?

The Department of Labor has provided an [employee notification model notice](#) that provides language you can use in your employee notification. The model notice is only a sample and plan sponsors can modify the format as long as it provides the required information outlined above. The model notice contains three pages. Part A is required, but completing the information on Part B is optional at the plan sponsor's discretion.

HAS THE AFFORDABLE CARE ACT AFFECTED COBRA NOTIFICATIONS?

Yes. The ACA has modified the content of the COBRA notice to include information about the existence of The Marketplace and the potential to receive a subsidy, if qualified. However, the ACA does not affect the plan sponsor's responsibilities required under COBRA.

IS THERE A SAMPLE COBRA NOTIFICATION LETTER THAT INCLUDES INFORMATION ABOUT THE MARKETPLACE?

The Department of Labor (DOL) has provided a [COBRA model election notice](#) that plans may use to notify employees who have had a COBRA qualifying event, of their eligibility for COBRA benefits and notification of The Marketplace. A [redline version](#) is available on the DOL's website to help plan sponsors identify what changes were made to the original content.

HOW CAN INDEPENDENCE ADMINISTRATORS HELP?

As new or significantly revised regulations or guidance take effect, we will provide you with information and resources to help you understand how the regulations affect your health plan(s) and what your plan(s) must do to achieve compliance. To learn more about how Independence Administrators can support you in complying with the requirements of the Affordable Care Act, or if you have questions about your plan, **please contact your Independence Administrators account representative.**

Independence Administrators does not provide legal or tax advice. The final determination of whether the Plan Sponsor meets the requirements of the Affordable Care Act must be made by the Plan Sponsor in consultation with the employer's own legal counsel or tax advisor.

