



# Mobile County PUBLIC SCHOOLS

1 Magnum Pass | Mobile, Alabama 36618 | www.mcpss.com

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SUPERINTENDENT Martha L. Peek

To: Mobile County Public School System Employees and Substitutes:

## **RE: New Health Insurance Marketplace Coverage Options and Your Health Coverage**

There is a lot of talk about healthcare reform today, and you will be hearing much more in the coming months.

**It is important to know that the Public Education Employees' Health Insurance Plan (PEEHIP) will continue to offer health coverage to our eligible employees. This coverage is an important part of our total compensation package.**

The Patient Protection and Affordable Care Act (ACA) requires employers subject to the Fair Labor Standards Act to provide the attached notice to all working full-time and part-time employees. The notice provides basic information about individual health insurance options that will be available through the Marketplace (also referred to as Exchanges) beginning in 2014. In Alabama, the Health Insurance Marketplace will be administered by the federal government.

The required notice also explains that some individuals may be eligible for federal subsidies to help pay for some of the cost of individual health insurance policies sold through a public exchange. The value of these subsidies will vary based on an individual's household income.

According to the ACA and IRS regulations, if an employee is eligible for an employer sponsored health plan, and that plan meets the government's definition of affordable, minimum value coverage, then the employee and any family members eligible for the employer plan are not eligible for the federal subsidies described in the attached notice, regardless of household income. **Coverage offered to you by PEEHIP meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.**

### **Important Note for Employees Who Are Eligible for PEEHIP Coverage:**

#### **Is PEEHIP coverage "affordable" to you according to ACA rules?**

The ACA defines "affordable" as a plan that requires an employee to contribute no more than 9.5% of their household income to participate in employee only coverage (single coverage).

- PEEHIP offers a plan that requires a monthly contribution of \$15 for single coverage for full time employees earning a full allocation.
- Note: Employees who qualify and apply for PEEHIP's Federal Poverty Level premium discount program will have a reduced premium of 10% up to 50% depending on your income.

Note: If you purchase a health plan through the Marketplace instead of accepting coverage offered through PEEHIP, you will lose the PEEHIP (employer) contribution to the PEEHIP offered coverage. Also, a health plan purchased through the Marketplace is not paid for with pre-tax dollars. Premium payments made through the Marketplace are made on an after-tax basis.



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### **Important Note for Employees Who are Not Eligible for PEEHIP Coverage:**

If you are not eligible for PEEHIP coverage, you may want to review the attached notice and explore individual health insurance options available to you through a public exchange. Since you are not eligible for PEEHIP coverage, you may qualify for the federal subsidies described in the notice.

For further information on the ACA or the Health Insurance Marketplace, call 1-800-318-2596 or visit [www.healthcare.gov](http://www.healthcare.gov).