

# New Health Insurance Coverage Options and Your Health Coverage

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## **PART A: General Information**

When key parts of the Affordable Care Act law take effect in 2014, there will be a new way to buy health insurance in California. To assist you as you evaluate options for you and your family, this notice provides some basic information about a new Marketplace called Covered California, and employment-based health coverage offered by your employer.

### **What is Covered California?**

Covered California can help you find health insurance that meets your needs and fits your budget. Covered California 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 Covered California begins in October 2013 for coverage starting as early as January 1, 2014.

### **Can I Save Money on my Health Insurance Premiums in Covered California?**

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 premium savings that you're eligible for depends on your household income.

### **Does Employer Health Coverage Affect Eligibility for Premium Savings through Covered California?**

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 Covered California 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 Covered California instead of accepting your employer sponsored health coverage, then you may lose the employer contribution to the employer-offered coverage. Also, this employer contribution, as well as your employee contribution to the employer-offered coverage, is excluded from income for Federal and State income tax purposes. Your payments for coverage through Covered California 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 on the CalPERS health plan web site at: <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/mbr-pubs/health-prg-pubs/2013-summary-benefits.xml>

Covered California can help you evaluate your coverage options, including your eligibility for coverage through Covered California and its cost. Please visit **coveredca.com** or call 888-975-1142 for more information.

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<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.