



Hawaii Residency

PROGRAMS, INC.

The Queen's Medical Center · Kapi'olani Medical Center for Women & Children · Straub Clinic & Hospital · Pali Momi Medical Center · Kuakini Medical Center · Wahiawa General Hospital · Kaiser Foundation Hospital · University of Hawai'i at Manoa, John A. Burns School of Medicine

MEMORANDUM

TO: All Employees
FROM: Maria De Lima, Human Resources Manager
DATE: April 13, 2017
RE: Health Insurance Marketplace Notice

As required by the Patient Protection and Affordable Care Act (PPACA), Hawaii Residency Programs, Inc. (HRP) is providing you with this informative memorandum on the health insurance Marketplace, and attaching herewith the New Health Insurance Marketplace Coverage Options and Your Health Coverage notice. PLEASE READ THIS 4-PAGE MEMORANDUM AND THE ATTACHED NOTICE CAREFULLY!

As an employee of HRP if working continuously for 20 or more hours per week for four consecutive weeks or 130 hours or more per month, you are eligible for group sponsored medical benefits. But please continue reading this notice even if you do not work these hours.

The Questions & Answers provided below are intended to assist you as you evaluate options for you and your family. Please keep in mind this is only a guide. To determine actual eligibility you must contact the Marketplace at www.healthcare.gov or phone 800-318-2596. This notice was prepared on April 13, 2017, and may be subject to change.

BENEFITS ELIGIBLE EMPLOYEES (work 20+ hours/week consistently, or 130 hours or more per month):

Q: *What is a Health Insurance Marketplace?*

A: It is a virtual marketplace where individuals and businesses of certain sizes can shop for medical insurance coverage. Enrollment into the Marketplace for individuals and small businesses began October 1, 2013, for an effective date of January 1, 2014.

Q: *Since I have coverage through HRP, why do I need to know about the Marketplace?*

A: As a requirement of the PPACA laws, we must provide you with this information. While HRP provides you with medical insurance, your dependents may not be covered and may need coverage. The Marketplace provides you with the opportunity to purchase coverage for them.

Q: *Will the existence of the Marketplace affect my existing group health plan coverage with HRP?*

A: No. HRP will continue to provide medical coverage that meets the requirements of both the Hawaii Prepaid Healthcare and the PPACA.

Q: *Will I continue to have health insurance through HRP?*

A: Yes. If you are in our plan and as long as you continue to meet the definition of an eligible employee your coverage will continue.

Q: *What changes will I see in my current group coverage?*

A: Many of the required benefit changes were added in March 2010 already, when the federal law took effect. We don't anticipate that there will be too many more changes. Of course everyone is waiting to see what President Trump's Administration will propose in the future.

Q: *Do I have good benefits?*

A: Yes. Under the health care reform HRP must offer a plan with a Minimum Value Standard, which means the aggregate level of coverage must be equal to or greater than 60% coverage for services. Our Hawaii plans exceed this standard. You will find copies of the Summary of Benefits and Coverage (SBC) on HRP's HMSA plans in the HRP website (<http://www.hawaiiresidency.org/hrp/health-plan-summary-of-benefits-and-coverage-sbc>) for your peruse and any comparisons. You may also request it from Human Resources.

Q: *Will health care reform affect my premium co-share?*

A: No. Under the health care reform HRP must offer affordable coverage. This means that your employee contribution towards the cost of the Single premium cannot exceed 9.5% of your household income. The Hawaii Prepaid Healthcare Act is more generous yet - you may not be charged more than 1.5% of your gross wages. Your premium co-share will not exceed this amount.

Q: *If I am eligible for group medical coverage through HRP can myself or my dependent(s) receive a subsidy if either of us purchase coverage through the Marketplace?*

A: You and your dependent(s) may not be eligible for a premium tax credit subsidy. If you or your dependent(s) are able to enroll in an employer plan that meets the Minimum Value standard (e.g.: your plan covers 60% or more of the medical service) and is considered affordable (your contribution is less than 9.5% of your household income), you may not qualify for a subsidy. You may contact the Marketplace directly for more information on that.

Q: *If I choose to purchase coverage through the Marketplace, will I have to pay for that coverage myself?*

A: Yes. You will lose your employer contribution towards your coverage and you may pay the entire cost of the premium for the Marketplace plan.

Q: *How much will my premium cost?*

A: The Marketplace's premiums will depend on the type of plan you choose, your age, the number of people in your family and whether or not you smoke. Insurers won't be able to charge more based on gender or health status.

FYI: Below are the tables with current premiums for the HRP's HMSA plans and the portion you are responsible for, if any. In addition you will find the new premiums effective July 1, 2017. Note these are HRP's, not the Marketplace's premiums.

HRP premiums through June 30, 2017

Plan	Tier	Total Premium	You Will Only Pay Per Pay Check:
HPH	Employee Only	\$337.46	Paid 100% by HRP
HPH	Employee + 1	\$701.46	\$35.07
HPH	Employee + Family	\$1052.04	\$52.60
PPP	Employee Only	\$374.20	\$18.37
PPP	Employee + 1	\$784.84	\$76.76
PPP	Employee + Family	\$1177.20	\$115.18

HRP premiums from July 1, 2017 through June 30, 2018

Plan	Tier	Total Premium	You Will Only Pay Per Pay Check:
HPH	Employee Only	\$391.50	Paid 100% by HRP
HPH	Employee + 1	\$815.64	\$40.78
HPH	Employee + Family	\$1223.28	\$61.16
PPP	Employee Only	\$436.56	\$22.53
PPP	Employee + 1	\$918.14	\$92.03
PPP	Employee + Family	\$1377.08	\$138.06

NON-ELIGIBLE EMPLOYEES (work less than 20 hours a week, or do not work 130 hours per month):

Q: *Since I do not meet the minimum eligibility criteria under the Prepaid Health Care Act, and I am not eligible for group medical coverage through HRP will I be required to have medical coverage?*

A: Yes. All U.S. citizens must be enrolled in a qualified health plan. Individuals who do not have qualified health insurance will be assessed a penalty by the IRS.

Q: *Since I am not eligible for coverage through HRP will I be eligible for a subsidy if I purchase coverage through the Marketplace?*

A: You may be eligible for a subsidy based on your household income. Please contact the Marketplace at www.healthcare.gov or phone 800-318-2596.

With attachment: *New Health Insurance Marketplace Coverage Options and Your Health Coverage*



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 4-30-2017)

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 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		4. Employer Identification Number (EIN)	
5. Employer address		6. Employer phone number	
7. City	8. State	9. ZIP code	
10. Who can we contact about employee health coverage at this job?			
11. Phone number (if different from above)		12. Email address	

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

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

All employees. Eligible employees are:

Some employees. Eligible employees are:

- With respect to dependents:

We do offer coverage. Eligible dependents are:

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.

The information below corresponds to the Marketplace Employer Coverage Tool. Completing this section is optional for employers, but will help ensure employees understand their coverage choices.

13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?

Yes (Continue)

13a. If the employee is not eligible today, including as a result of a waiting or probationary period, when is the employee eligible for coverage? _____ (mm/dd/yyyy) (Continue)

No (STOP and return this form to employee)

14. Does the employer offer a health plan that meets the minimum value standard*?

Yes (Go to question 15) No (STOP and return form to employee)

15. For the lowest-cost plan that meets the minimum value standard* offered only to the employee (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/ she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.

a. How much would the employee have to pay in premiums for this plan? \$ _____

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

If the plan year will end soon and you know that the health plans offered will change, go to question 16. If you don't know, STOP and return form to employee.

16. What change will the employer make for the new plan year? _____

Employer won't offer health coverage

Employer will start offering health coverage to employees or change the premium for the lowest-cost plan available only to the employee that meets the minimum value standard.* (Premium should reflect the discount for wellness programs. See question 15.)

a. How much would the employee have to pay in premiums for this plan? \$ _____

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

* 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 (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986)