

Health Care Reform Update: Public Marketplaces

Key parts of the federal Health Care Reform law, officially called the Affordable Care Act, go into effect January 1, 2014. When this happens, there will be a new way to buy health insurance: the public marketplace opening in every state nationwide.

The law is clear: you must be enrolled in health insurance beginning January 1, 2014. This applies to all Stanford Hospital & Clinics and Lucile Packard Children's Hospital employees — full-time, part-time and relief, including their families, and regardless of whether you're eligible for benefits through SHC/LPCH. If you do not have coverage after that date for yourself and your dependent children, as well as your spouse (if he or she wants to be on your plan), you may have to pay an income tax penalty.

Please Note:

The Affordable Care Act requires employers to send this notice. It will likely not apply to individuals currently enrolled in an SHC/LPCH-sponsored medical plan.

This notice will provide you with basic information about the public marketplace available as one option for purchasing health insurance, and about government financial assistance — called a “subsidy” — to help people pay for coverage purchased through that marketplace. Most U.S. employers are required to send this notice to their employees to raise awareness of the public marketplace and inform them about how access to an employer-provided medical plan may limit their eligibility to receive subsidy funds.

Please note that Stanford Hospital & Clinics and Lucile Packard Children's Hospital are continuing to offer health care coverage in 2014. So, if you are eligible for SHC/LPCH benefits, you will likely not be eligible for a government-provided subsidy. Read on for more information.

Part A: General Information

The Public Marketplace and Stanford Hospital & Clinics and Lucile Packard Children's Hospital Coverage

The public marketplace is designed to help individuals, families and small businesses find health insurance that meets their needs and fits their budgets. Although the public marketplace is not your only option to obtain health insurance for 2014, it does offer “one-stop shopping” to compare, purchase and enroll in plans offered by select insurance companies (not all insurers participate). Marketplaces open in each state across the country on October 1, 2013, and offer resources and support to U.S. citizens and legal residents for purchasing health insurance coverage that will be effective on January 1, 2014.

If you choose to enroll in health insurance through the public marketplace, keep in mind that your plan premiums will be paid differently than for an employer-provided plan.

For health insurance you enroll in through Stanford Hospital & Clinics and Lucile Packard Children's Hospital, your employer contributes toward the cost of your coverage and you pay your portion of the premiums through pre-tax contributions from your paychecks. This reduces the amount of your income that the federal and state governments consider taxable. In a public marketplace plan, you will be required to pay premiums in full on a post-tax basis and you will no longer receive a premium contribution from your employer.

Financial Assistance (“Subsidies”) for Saving Money in the Public Marketplace

Individuals who purchase health insurance through the public marketplace may be eligible for a new kind of tax credit — referred to as a “subsidy” — to lower their premiums and help limit out-of-pocket expenses when using their plan. Subsidy eligibility and funding amounts are based on annual household income. This type of funding is generally available to people who do not have access to health insurance through their employer, or whose employer-provided medical plans do not meet the following conditions imposed by the Health Care Reform law:

- The coverage does not meet the “minimum value standard”, and
- The price of Employee Only coverage under the employer’s lowest-cost plan exceeds 9.5% of the covered individual’s annual household income.

Stanford Hospital & Clinics and Lucile Packard Children’s Hospital will continue offering medical plans for 2014, and our coverage will meet the requirements of the law listed above. If you will be eligible to enroll in a Stanford Hospital & Clinics and Lucile Packard Children’s Hospital-provided medical plan in 2014:

- You **most likely will not** be eligible to receive a subsidy for use in the public marketplace because our coverage provides minimum value and is affordable. Furthermore, we have done the analysis, and believe that Stanford Hospital & Clinics and Lucile Packard Children’s Hospital coverage will be more comprehensive and comparable in price, if not more affordable, than what you would find out in the marketplace.
- In certain cases, even if you are eligible for Stanford Hospital & Clinics and Lucile Packard Children’s Hospital benefits, you may still be eligible for a public marketplace subsidy — for example, if you are newly employed mid-year or if you have had recent income losses. Marketplace representatives will use your annual household income to determine your subsidy eligibility.

If you will not be eligible to enroll in a Stanford Hospital & Clinics and Lucile Packard Children’s Hospital-provided medical plan in 2014:

- You may be eligible for a public marketplace subsidy, if you are determined to be eligible based on your household income. A marketplace representative in your state will be able to help you figure out whether you’re eligible for a subsidy.

For More Information:

- **About the Health Care Reform law and public marketplace:** Review the Health Care Reform materials provided to you by Stanford Hospital & Clinics and Lucile Packard Children’s Hospital this fall. If you are interested in purchasing health insurance through the public marketplace, your state’s enrollment period will begin on October 1, 2013, for coverage effective January 1, 2014. Marketplace representatives will be available to help you explore coverage options, plan costs and eligibility for subsidies through the public marketplace. More information about your state’s public marketplace is available at www.healthcare.gov.
- **About Stanford Hospital & Clinics and Lucile Packard Children’s Hospital health insurance benefits:** To learn about Stanford Hospital & Clinics and Lucile Packard Children’s Hospital’s health insurance benefits and plan design for 2014, review your benefit materials.

If you are not eligible to enroll in a Stanford Hospital & Clinics and Lucile Packard Children’s Hospital-provided medical plan in 2014, you have other options!

- Family member’s employer benefits: Check out their plan (if a parent’s plan, you must be under age 26 to enroll)
- The public marketplace: Contact a marketplace representative after the marketplace in your state opens on October 1, 2013
- Medicaid or Medicare: Public marketplace representatives can also determine Medicaid eligibility
- Private insurance provider: You can always purchase your own health care coverage from an insurance provider operating outside the public marketplace.

Part B:

Health Care Coverage Offered by Stanford Hospital & Clinics and Lucile Packard Children's Hospital

This section contains details about the health care coverage offered by Stanford Hospital & Clinics and Lucile Packard Children's Hospital. If you decide to enroll in health insurance through the public marketplace, you will be asked to provide the following information, which has been numbered to correspond with fields in the public marketplace application.

3. Employer name: Stanford Hospital & Clinics	4. Employer Identification Number (EIN): 94-6174066	
5. Employer address: 300 Pasteur Drive	6. Employer telephone number: (650) 723-4000	
7. City: Stanford	8. State: California	9. ZIP code: 94305
10. Who can we contact about employee health insurance coverage at this job? SHC/LPCH Benefits Center		
11. Phone number of contact: (855) 349-4437	12. E-mail address of contact: www.healthysteps4u.org	

3. Employer name: Lucile Packard Children's Hospital	4. Employer Identification Number (EIN): 77-0003859	
5. Employer address: 725 Welch Road	6. Employer telephone number: (650) 497-8000	
7. City: Palo Alto	8. State: California	9. ZIP code: 94304
10. Who can we contact about employee health insurance coverage at this job? SHC/LPCH Benefits Center		
11. Phone number of contact: (855) 349-4437	12. E-mail address of contact: www.healthysteps4u.org	

Here is basic information you may also be asked to provide about Stanford Hospital & Clinics and Lucile Packard Children's Hospital-provided medical plans:

- As your employer, we offer health insurance benefits to most employees:
 - Active, full-time employees who are regularly scheduled to work at least 40 hours per pay period.
- With respect to dependents, we offer coverage under your health insurance policy to your:
 - Legal spouse,
 - Children (by birth, marriage, legal adoption, grandchildren or any other children under the age of 26 for whom you are the court-ordered legal guardian),
 - Children who become totally and permanently disabled before reaching the age of 26,
 - Children who do not live with you, but for whom there is a court order stipulating that you provide health insurance benefits, and
 - Children for whom a "Qualified Medical Child Support Order" (QMCSO) requires coverage.
- Stanford Hospital & Clinics and Lucile Packard Children's Hospital's health insurance coverage does meet the minimum value standard*, and the cost of this coverage is intended to be affordable based on employee wages. For information about 2014 plan design and costs, please log on to the BenefitsConnect website available through www.healthysteps4u.org or call (855) 349-4437.

* An employer-provided medical plan meets the Health Care Reform law's "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(2)(ii) of the Internal Revenue Code of 1986).