

Date: September 24, 2013

Re: **Important Notice from Las Cruces Public Schools about Health Insurance Marketplace Coverage and Our Medical Plan(s)**

**THIS NOTICE IS FOR ALL EMPLOYEES**

**Please read this cover letter and the attached Notice carefully and keep this information where you can find it in the future.** You are receiving the Notice because it is required by the Affordable Care Act (ACA), also known as Health Reform.

Spanish Language Assistance: Si usted no entiende la información en este documento, favor de ponerse en contacto con el personal del departamento de Beneficios Lydia Banegas o Connie Stewart 575-527-5977 o 575-527-5831 o visite este sitio web:  
<https://www.cuidadodesalud.gov/es/>

Attached to this cover letter is a Notice called the “**New Health Insurance Marketplace Coverage Options and Your Health Coverage.**” The Notice and cover letter have information about the new Health Insurance Marketplace, open enrollment for the Health Insurance Marketplace, and let you know that you may qualify to save money on health insurance premiums in the Marketplace. This information can help you decide if you should consider enrolling in coverage through the Health Insurance Marketplace. **The Health Insurance Marketplace has also been called the "Exchange."** Visit “**BeWellNM.com**” for information on the NM Health Insurance Exchange.

**If you are covered under a medical plan offered by Las Cruces Public Schools, YOU DO NOT NEED TO SHOP FOR INSURANCE IN THE MARKETPLACE.**

If you need assistance understanding this Notice, please contact Lydia Banegas or Connie Stewart at 575-527-5977 or 575-527-5831.

## **STARTING JANUARY 1, 2014 AMERICANS WILL HAVE A NEW INDIVIDUAL SHARED RESPONSIBILITY MANDATE**

As part of the Affordable Care Act, starting January 1, 2014\*, most taxpayers will be required to maintain medical plan coverage or pay a tax penalty (applied on their personal income tax filing). The tax penalty for failure to maintain coverage (referred to as an individual shared responsibility mandate) is the greater of a flat dollar amount or a percentage of your household income.

This means that by electing medical coverage (either through your employer, your spouse, through a government-sponsored program like Medicare or Medicaid, or through the Health Insurance Marketplace), a taxpayer can help avoid paying the new individual shared responsibility mandate. For this reason, you may want to determine if it is best to enroll or keep coverage under your employer-sponsored medical plan or instead, enroll in coverage through the Health Insurance Marketplace, or forego coverage and pay the personal income tax penalty (the individual mandate) for not having medical plan coverage. It may also be helpful to discuss this individual mandate with your tax advisor.

\*The IRS will allow an employee and their spouse and dependent children who are eligible to enroll in a non-calendar year employer sponsored health plan to avoid individual mandate tax penalties for the months between January 1, 2014 and the month that the employer's 2014 plan year begins.

## **THE HEALTH INSURANCE MARKETPLACE**

You will see in the Notice (attached to this cover letter) that the Health Insurance Marketplace is a new place to purchase medical plan coverage. The open enrollment period for coverage in the Marketplace begins soon, in October 2013. Coverage under a medical plan you purchase from the Health Insurance Marketplace can begin as early as January 1, 2014.

## **ASSISTANCE WITH THE COST OF PREMIUMS ON THE HEALTH INSURANCE MARKETPLACE**

Starting in October of 2013, individuals who apply for health insurance coverage through the Health Insurance Marketplace may qualify for financial assistance to help buy that coverage. Depending on their annual household income, certain individuals may be eligible for premium assistance (such as a premium tax credit or a cost-sharing subsidy) to help lower the amount they pay toward the monthly health insurance premiums. Individuals must apply for the premium assistance by completing an application form through the Health Insurance Marketplace.

A few helpful points:

- An individual is not eligible for premium assistance if he or she is offered the opportunity to enroll in employer-sponsored medical plan coverage that is affordable and meets a required minimum value. If an employee is offered the opportunity to enroll in employer-sponsored medical plan coverage and they decline that employer-sponsored coverage, premium assistance may not be available to help the employee buy coverage in the Marketplace.
- Premium assistance may not be available to an individual if they make too much money to qualify for it.
- The amount of the premium assistance declines as an individual's income rises. Where an individual has received more premium assistance than they may have been eligible to receive, an adjustment will be coordinated with the IRS (meaning you may have to repay part of the premium assistance you received if your income increases during the year).
- Kaiser Family Foundation's website offers a handy premium assistance calculator if you are interested: <http://kff.org/interactive/subsidy-calculator/>

**FOR MORE INFORMATION ABOUT YOUR MEDICAL PLAN OPTIONS UNDER OUR HEALTH PLAN**

For more detailed information about the benefits offered by the New Mexico Public Schools Insurance Authority (NMPSIA), please refer to your Medical Plan Document or review the Summary of Benefits and Coverage (SBC). These documents are located on NMPSIA's website at [nmpsia.com](http://nmpsia.com) or you can call the Blue Cross Blue Shield's customer service department at 888-966-7742 or Presbyterian Health Plan's customer service department at 888-275-7737 for assistance. Other helpful information about the Health Insurance Marketplace (i.e., Exchange) can be found at [www.healthcare.gov](http://www.healthcare.gov).

**IF YOU CURRENTLY ARE NOT ELIGIBLE FOR COVERAGE UNDER OUR MEDICAL PLANS**

We know that some employees are not eligible to enroll for coverage under our medical plans; however, we are required by law to distribute this Notice to all existing employees and all new employees. That you are not eligible to enroll for coverage under our medical plan(s) means that you should take the opportunity to see if coverage under the Health Insurance Marketplace is a good option for you. And, because you are not offered employer-sponsored coverage, you have the chance to qualify for premium assistance to help you buy that coverage in the Marketplace.

**FOR MORE INFORMATION ABOUT THIS COVER LETTER OR THE ATTACHED NOTICE, PLEASE CONTACT:**

Lydia Banegas at 575-527-5977  
Connie Stewart at 575-527-5831  
email: [benefits@lcps.k12.nm.us](mailto:benefits@lcps.k12.nm.us)

This document along with the attached Notice is intended to serve as your Employer Notice about the Health Insurance Marketplace, as required by law.

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## **New Mexico Health Insurance Exchange Options and Your Health Coverage**

### **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 New Mexico Health Insurance Exchange. To assist you as you evaluate options for you and your family, this notice provides some basic information about the New Mexico Health Insurance Exchange and employment based health coverage offered by your employer.

### **What is the New Mexico Health Insurance Exchange?**

The New Mexico Health Insurance Exchange is designed to help you find health insurance that meets your needs and fits your budget. The New Mexico Health Insurance Exchange 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 New Mexico Health Insurance Exchange begins October 1, 2013 for coverage starting as early as January 1, 2014.

### **Can I Save Money on my Health Insurance Premiums in the New Mexico Health Insurance Exchange?**

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 New Mexico Health Insurance Exchange?**

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 New Mexico Health Insurance Exchange 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>

<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. New Mexico Public Schools Insurance Authority used by Las Cruces Public Schools currently meets this standard.

**Note:** If you purchase a health plan through the New Mexico Health Insurance Exchange instead of accepting health coverage offered by your employer, then you may lose the employer contribution 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 New Mexico Health Insurance Exchange 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, which is located on the Las Cruces Public School website at <http://lcps.k12.nm.us/departments/finance/insurance>. You may also contact Benefit Specialists, Lydia Banegas at 575-527-5977 and Connie Stewart at 575-527-5831 or email at [benefits@lcps.k12.nm.us](mailto:benefits@lcps.k12.nm.us).

The New Mexico Health Insurance Exchange can help you evaluate your coverage options, including your eligibility for coverage through the New Mexico Health Insurance Exchange and its cost. Please visit [www.healthcare.gov](http://www.healthcare.gov) for more information, including an online application for health insurance coverage and contact information for a Health Insurance Exchange in your area.

### PART B: Information About Health Coverage Offered by Las Cruces Public Schools

This section contains information about health coverage offered by Las Cruces Public Schools. If you decide to complete an application for coverage in the New Mexico Health Insurance Exchange, you will be asked to provide this information. This information is numbered to correspond to the New Mexico Health Insurance Exchange application.

3. Employer Name:	Las Cruces School District #2
4. Employer Identification Number (EIN):	85-6002445
5. Employer Address:	505 South Main Suite 249
6. Employer Phone Number:	575-527-5977 or 575-527-5831
7. City:	Las Cruces
8. State:	New Mexico
9. Zip:	88007
10. Who can we contact about employee health coverage at this job?	Lydia Banegas or Connie Stewart
11. Phone Number:	575-527-5977 or 575-527-5831
12. Email Address:	<a href="mailto:benefits@lcps.k12.nm.us">benefits@lcps.k12.nm.us</a>

As your employer we offer a health plan to employees working 20 hours or more per week and to their eligible dependents.