



Town of North Attleborough
Human Resources Department
North Attleborough Public Schools & Town Government

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DATE: July 01, 2020

TO: All Town Government/School Department/NA Electric Department Employees

FROM: Catherine M. Calicchia, Director of Human Resources

RE: **NEW HEALTH INSURANCE MARKETPLACE COVERAGE OPTIONS**

The **Federal Affordable Care Act (ACA)** requires the Town/District to provide each of its employees with a formal notice of the health care coverage options that will be available to individuals under the health insurance exchanges that the ACA requires each state to establish. In Massachusetts the exchange is known as the *Massachusetts Connector* and in Rhode Island it is known as *Health Source Rhode Island*. We have enclosed the required Notice. The Notice provides the information that subsidized coverage may be available to some employees.

As you will see from the information below, we anticipate that few, if any, of our employees who are eligible for participation in the Town/District's health insurance program will be eligible for subsidized coverage. However, if you are not currently eligible for the Town/District's health insurance programs you may be eligible for coverage through the *Massachusetts Connector* or *Health Source Rhode Island*.

Employees who are eligible for participation in an employer sponsored health plan that meets the minimum value standard set by the ACA and that is "affordable" to the employee will not be eligible for subsidized coverage through the Exchange. We have been advised that all of the health plans that the Town/District offers satisfy the ACA minimum value standard. The "affordability" of coverage for purposes of the ACA is determined on an employee-by-employee basis, as discussed below.

The health coverage offered to an eligible employee will be "affordable" if the employee's share of the premium cost for the cheapest Individual plan offered by the employer is less than 9.78% of the employee's household income. (The determination is based upon the cost of the lowest priced Individual plan offered by the employer even if the employee actually has Family coverage. You will also note that the determination is based upon 9.78% of household income, not 9.78% of the employee's income. Admittedly, the formula does not make a lot of sense. However, that's what the law (ACA) provides.

In the case of our Town/District, the lowest priced Individual plan offered is the MIIA Network Blue New England – Benchmark 2 and the monthly premium cost for that plan is \$805.29. As the employee contributes 25% of the premium cost of that plan, the employee's share of the premium cost is \$201.32 per month ($\$805.29 \times 25\% = \201.32). \$201.32 is 9.78% of \$2,058.49 ($\$201.32 \div .0978 = \$2,058.49$). Thus, the Town's coverage will be considered "affordable" for any employee whose monthly household income is greater than \$2,058.49. (The household income of an employee will include the income of the employee's spouse and any dependents in the household who are required to file a tax return.)

As you can see, few, if any, of our employees who are eligible for participation in the Town's/District's health insurance program will be eligible for subsidized coverage through the Massachusetts Connector or Health Source Rhode Island. Nonetheless, we are required by the ACA to provide you with this notice as you may be eligible if you are not participating or eligible for one of the Town's plans.

We understand that these issues are complicated. If you have questions, you may contact Sue M. Rodrigues-Calista HR & Benefits Coordinator at 508-643-2175, ext. 401.

G:FORMS(ALL EMPLOYEES New Health Ins Marketplace Coverage Options)