

Health Insurance Exchange: All Employers Are Required to Distribute New Notices

Clients and Friends:

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The Affordable Care Act (ACA) requires nearly **all employers** to distribute written notices to **all employees** about the new state Health Insurance Exchange (the Exchange), sometimes called the “Health Insurance Marketplace.” Recently the Department of Labor (DOL) released guidance to tell us how this may be done.

Must all employers provide the Exchange Notice?

The DOL says that all employers who are subject to the Fair Labor Standards Act must comply - even if they do not offer health coverage. The FLSA applies to hospitals and residential institutions; schools of all types; and federal, state, and local government agencies. In addition, a company/organization with annual dollar volume of sales or receipts in the amount of \$500,000 or more is subject to FLSA and must provide Exchange Notices. *(And if you are subject to COBRA, your COBRA notices need to change as well.)*

Which employees should receive the notice?

All employees must be provided a notice, without exception. This includes full-time, part-time and seasonal employees, whether or not they are eligible for your health insurance plan. Those who are not true employees, such as independent contractors or workers employed by a staffing agency, do not need to be provided a notice. Employers are not required to distribute notices to spouses or other dependents.

What are some key requirements in the DOL Model Notice?

You must include state-specific information about the health plans that will be available in the State Exchange that will be open for business in 2014. The notice must cover plan affordability, “minimum value” standards, premium tax credits for eligible lower income individuals, and how to get information or assistance. You must also provide information about your own health plan (if offered) including eligibility and employee premium shares, and you must update your notice if you change your health plan benefits during the year.

What is the deadline for notice distribution?

A notice must be provided to current employees by October 1, 2013. Employees hired on or after October 1, 2013 must receive the notice within 14 calendar days of their start date.

How should the notice be delivered?

You may deliver the Exchange Notice by first class mail, or by in-hand delivery at the workplace. Distribution by email is permitted only if employees’ work-site access to email is an integral part of their job duties.

What does an Exchange Notice look like?

We prepared the attached notice for our SIG employees and invite you to modify it for your own use. Notices have to be state-specific—you’ll see that we included information about our Washington State Health Benefit Exchange. If you have employees in other states you will need to create separate notices for each state.

Need some help?

Guidance and DOL model notices can be found at http://www.dol.gov/ebsa/consumer_info_health.html, but if you have any questions for SIG we are always happy to hear from you! Call your Account Manager directly, call the Benefits Helpline at 206.957.7066 or 800.946.7066, or send an email to Questions@SIGinsures.com.