



# HEALTH MATTERS



## A MONTHLY REPORT ON THE STATUS OF THE CITY OF CARMEL EMPLOYEE HEALTH BENEFIT PLAN

June 30 Balance	\$728,149		Dec 31, 2012 Balance	\$589,830
Total Revenues	\$938,179		Jan-Jul Revenues	\$6,715,726
Employer Premiums	721,480		Jan-Jul Expenses	\$6,712,571
Employee Premiums	158,784		July 31, 2013 Balance	\$592,985
Other Revenues	57,915			
Total Expenses	\$1,073,343		YTD Gain/(Loss)	\$3,155
Week 1 Claims	144,241			
Week 2 Claims	157,847			
Week 3 Claims	235,842			
Week 4 Claims	111,542			
Week 5 Claims	294,300			
Clinic Expenses	35,532			
Fixed Costs—Premiums	70,066			
Fixed Costs--Fees	20,959			
Other Expenses	3,014			
Monthly Gain/(Loss)	(\$135,164)			
July 31 Balance	\$592,985			

Note: The majority of the "other revenues" comes from transferring 2<sup>nd</sup> quarter retiree premiums.

### Cigna to Replace Sagamore Network

As you know, the City plan will be transferring to the Cigna network on October 1, 2013. Nearly 99% the providers in the Sagamore network are also in the Cigna network—but there are a few exceptions. In order to take advantage of lower in-network costs, go to [www.cigna.com](http://www.cigna.com) to verify your provider's status. This is YOUR responsibility. Act now to avoid unpleasant surprises.

Since Cigna is a national network, you and your eligible dependents will have greater access to in-network benefits no matter where you live, study or travel in the United States.

### Required Health Exchange Notice Coming in September

In October the City will be sending a required notice regarding the new health care exchanges. We want to provide you with information prior to that notice that will help you understand some important aspects of health care reform.

**1. Health care reform is law:** No matter what you have heard about the federal government delaying health reform requirements, the Affordable Care Act (ACA) is still in effect. The ACA has already brought change to our health plans, such as extending coverage to adult dependents and covering preventive services with no deductibles or co-pays.

Beginning in 2014, insurance companies (and self-insured plans) will be required to accept everyone who applies for coverage, regardless of whether the applicant has any pre-existing health conditions. Employers sponsoring health plans can't require employees to wait longer than 90 days to be eligible for plan coverage. Everyone will be required to obtain health insurance (either through their employer or through a plan they purchase on their own) or be assessed a tax penalty.

**2. The "individual mandate" is still in place:** Everyone will be required to obtain health insurance in some form. While you may have heard that the "play-or-pay" mandate has been delayed until 2015, that delay applies only to large employers. In reality, all individuals must have health insurance by January 1, 2014, in order to avoid a tax penalty. The penalty for not obtaining health insurance that meets the government's minimum coverage requirements is:

- The higher of \$95 or 1% of taxable income — in 2014.
- The higher of \$325 or 2% of taxable income — in 2015.
- The higher of \$695 or 2.5% of taxable income — in 2016.

Those who can't afford health insurance and aren't offered an affordable, minimum-value plan from their employer will be eligible for a tax credit to help them purchase coverage on a healthcare exchange—as long as their income is less than 400% of the federal poverty level (\$94,200 for a family of four in 2013).

An "affordable, minimum-value plan" is a plan that covers at least 60% of the cost of covered medical procedures for a premium cost (for the employee only) that does not exceed 9.5% of the employee's household income. These requirements don't apply to coverage for an employee's spouse or children. As long as the employee is offered affordable, minimum-value coverage, he or she isn't eligible for a government tax credit to purchase coverage on his or her own.

The City's Plan A and Plan B both pass the affordable, minimum-value test. That means no City employee will be eligible for a government tax credit to purchase coverage through an exchange.

**3. Health exchanges will be available:** Any employee may elect to purchase insurance through an exchange rather than enroll in the City's plan in 2014. However, you should know that if you enroll in the City's plan, the City pays at least 80% of the cost for you and your eligible family members.

If you purchase insurance through an exchange in 2014, you will be required to pay 100% of the cost. Should you change your mind and wish to re-enroll in the City plan, you will have to wait another year, until the next open enrollment period.

To get more information about health care exchanges, and to explore whether buying coverage through an exchange makes sense for you, go to [www.healthcare.gov](http://www.healthcare.gov). There you can review topics such as "What is the Health Insurance Marketplace?" and "What if I have Job-Based Insurance?" The exchanges are expected to start accepting applications for coverage on October 1, 2013, but that coverage won't begin until at least January 1, 2014.

Open enrollment for the City plans will be held in October. You will have access to information about both the City plans and the exchanges at the same time, so you will have all the facts you need in order to make a good decision regarding your 2014 coverage.