

"Affordable Care Act Notices and Revised Model COBRA Election Notice," June 2013

June 2, 2013

Under the Affordable Care Act (ACA), health insurance exchanges are slated to be active by January 1, 2014, and open enrollment will begin in October of this year. Employers will be required to notify employees of the availability of the exchanges. Recently the Department of Labor released two forms of a Model Exchange Notice and advised employers that they must provide employees with the exchange notice by October 1, 2013. One form of the Notice is to be used by Employers who do not offer a health insurance plan. The second form of the Notice is to be used by Employers who offer a health insurance plan to some or all employees. In general, the Notices advise employees of the following:

- The existence of the health benefits exchange and a description of the services provided by the exchange;
- How an employee may be eligible for a premium tax credit or a cost sharing reduction if the employer's plan does not meet certain requirements;
- That if they purchase a qualified health plan through the exchange, they may lose any employer contribution toward the cost of employer provided coverage, and that all or a portion of the employer contribution to employer provided coverage may be excludable for federal income tax purposes; and
- Contact information for customer service resources within the exchange, and an explanation of appeal rights.

The ACA also requires employers to utilize the revised Model COBRA Election Notice. The revised COBRA Election Notice includes information regarding coverage alternatives that will be available through the new health insurance exchanges.

Both Notices and related information are available at: <http://www.dol.gov/ebsa/healthreform/>