



FMCP



Family Medical Care Plan

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INFORMATION ABOUT HEALTH CARE EXCHANGES AND THE NECA/IBEW FAMILY MEDICAL CARE PLAN

To: Active Participants of the NECA/IBEW Family Medical Care Plan

From: Trustees of the Family Medical Care Plan

Date: August 30, 2013

Subject: Required Notice Concerning the Health Insurance Marketplace

The health care exchanges (now called “marketplaces”) are scheduled to be up and running as of January 1, 2014. You will be hearing a lot of information about the marketplaces through public service announcements, news stories, advertisements and promotions. The Affordable Care Act (the “ACA”), which is the name of the law that established the marketplaces and many other health-care related regulations and requirements, is very complicated, and some of what you hear may be misleading.

About the Enclosed Notice

The regulations under the ACA require *employers* to provide their employees with the enclosed notice about the availability of other health insurance coverage through the marketplaces. **The regulations assume that the employer is paying a premium to an insurer and providing health care coverage directly to the employer’s entire workforce. However, that does not apply to you, because your employer does not provide the coverage directly to you, but contributes to a *health care fund*—the Family Medical Care Plan (“FMCP”)—under the terms of a collective bargaining agreement or other agreement. Because the FMCP is the entity providing your health benefits, the FMCP has decided to provide the enclosed notice to all active participants. You should also be receiving the same or similar notice from your employer.**

Please Note

- If you are eligible for benefits through the FMCP, you are **NOT REQUIRED** to purchase any other health care coverage as of January 1, 2014 and you will **NOT** be subject to the “individual mandate” tax.
- The FMCP will continue to provide you with an excellent range of benefits, which could include – depending upon your applicable coverage – medical, prescription drug, dental, vision, disability, and life insurance benefits.
- If your employer makes contributions on your behalf and you are eligible for coverage under the FMCP, you may still purchase coverage through the marketplace, but you will not be eligible for any subsidies (“premium assistance tax credits”) to purchase coverage through the marketplace and **you are responsible for payment of the marketplace coverage**. Further, even if you purchase a health plan through the marketplace, your employer will still be obligated to remit all required employer contributions based on your work under the collective bargaining agreement or other agreement that covers you.

- The plans offered through the marketplaces may have narrower (smaller) provider networks than the FMCP. Further, benefit packages offered through the marketplace will likely include coverage for major medical and prescription services only. Vision and dental benefits will be included in these marketplace plans for children under 18 years of age only. You would likely have to purchase an expensive plan to come close to replicating the benefits you currently have under the FMCP.
- **The only time you may want to shop for coverage from the marketplace is if you lose coverage through the FMCP.** If you are not eligible for coverage under the FMCP because: a) you did not earn enough hours to maintain eligibility; or b) you are unemployed and have exhausted your bank hours to continue coverage; or c) you are unemployed and don't maintain an hours bank through the FMCP; or (d) you have chosen not to participate in the FMCP's self-pay option, you may choose to purchase coverage through the marketplace. **PLEASE NOTE**, if you terminate FMCP coverage to move to the marketplace, you will not be able to regain FMCP coverage until you meet the FMCP's eligibility requirements as described in your summary plan description.

Although you may be eligible for a premium assistance tax credit subsidy, **you are responsible to pay for any coverage purchased through the marketplace.** Your employer will not be required to pay any portion of your marketplace health coverage premiums.

The Plan will continue to offer COBRA coverage for employees and dependents who lose coverage due to COBRA qualifying events. But your financial situation may be such that you want to purchase less comprehensive—and therefore cheaper—coverage through the marketplace.

- If you are not eligible for coverage under the FMCP and do not obtain coverage either through the marketplace or another health insurance issuer, you may be subject to the “individual mandate” tax.

The above guidance is our best understanding of the ACA marketplaces and how they will affect you as a FMCP participant. The full implications of the law as a whole on the FMCP are still unclear and will likely remain that way until there is more guidance from the federal government. In the meantime, the FMCP will diligently work to ensure that it continues to offer affordable and comprehensive coverage to its participants and their beneficiaries.

If you have any questions or for more information about the coverage offered by the FMCP, please check your summary plan description or contact the FMCP Executive Director at 301-556-4302.

FMCP TRUSTEES:

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**** Required Notice ****

New Health Insurance Marketplace Coverage Options and Your Health Coverage

General Information

When key parts of the Affordable Care Act (ACA) take effect in 2014, there will be a new way to buy health insurance: the health insurance marketplace (formerly referred to as “exchanges”). To assist you as you evaluate options for you and your family, this notice provides some basic information about the new marketplace and employment-based health coverage offered by your employer.

The FMCP and ACA

Participating employers make contributions to the FMCP for the purpose of providing health care benefits to their employees and retirees, and their dependents, who meet the eligibility requirements of the FMCP and the requirements set forth in the applicable agreement.

What is the Health Insurance Marketplace?

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

Can I Save Money on my Health Insurance Premiums in the Marketplace?

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.

You are receiving this notice because your employer DOES offer coverage—through the FMCP—and the coverage provided by the FMCP meets the ACA's minimum value standard.

You are not generally required to pay premiums to the FMCP for coverage unless your employer charges you for a share of the premiums or unless you are not eligible for coverage under the FMCP because: a) you did not earn enough hours to maintain eligibility; or b) you are unemployed and have exhausted your bank hours to continue coverage; or c) you are unemployed and don't maintain an hours bank through the FMCP. In these circumstances, you may elect to use the self-pay option or pay for continuation coverage (COBRA) if eligible, however, you might be able to save money through the Marketplace.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

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 marketplace and may wish to enroll in your

employer's health plan.¹ 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. Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the marketplace. The marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

You are receiving this notice because your employer DOES offer coverage—through the FMCP—and that coverage meets the “minimum value” standard set by the Federal regulating agencies.

Coverage through the FMCP is intended to be “affordable.” However, if your employer requires that you pay a portion of your health coverage premium costs (not including co-pays, deductibles, etc.) under the FMCP, you must contact your employer to determine if the cost of your coverage under the FMCP is more than 9.5% of your household income for the year.

Note: If you purchase a health plan through the marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution—as well as your employee contribution to employer-offered coverage (for example, if you need to self-pay for COBRA coverage after you terminate employment)—is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

Your employer is required by an agreement to contribute to the FMCP for the work you perform. If you choose to purchase a health plan through the marketplace instead of accepting health coverage offered by your employer through the FMCP, your employer will still be required to make a contribution to the Plan on your behalf under the terms of the collective bargaining agreement or other agreement.

If you decide to shop for coverage in the marketplace, HealthCare.gov will guide you through the process.

How Can I Get More Information?

For more information about the coverage offered to FMCP participants by your employer, please check your summary plan description or contact:

FMCP Executive Director

Telephone: 301-556-4302

The marketplace can help you evaluate your coverage options, including your eligibility for coverage through the marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a health insurance marketplace in your area.

¹ *You are not required to enroll in the Family Medical Care Plan. You and your eligible dependents will automatically be covered if you meet the eligibility requirements.*