NOTICE: New Health Insurance Marketplace Coverage Options and Your Health Coverage

PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance in Kentucky. Kentucky's Health Benefit Exchange, known as **kynect**, will assist you as you evaluate options for you and your family. This notice provides some basic information about **kynect** and employment-based health coverage offered by your employer.

What is kynect?

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

Can I Save Money on my Health Insurance Premiums through kynect?

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.

Does Employer Health Coverage Affect Eligibility for Premium Savings through kynect?

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 **kynect** and may wish to enroll in your employer's health plan. 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.[1]

Note: If you purchase a health plan through **kynect** 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 - is often excluded from income for Federal and State income tax purposes. Your payments for coverage through **kynect** are made on an after-tax basis.

How Can I Get More Information?

Part B of this Notice contains information about health coverage offered by your employer. Part B can be viewed at kehp.ky.gov under Benefits - Health Insurance - Legal Notices. For more information about your coverage offered by your employer, please check your summary plan description or contact your agency's/employer's Insurance Coordinator or Human Resource Generalist. Or, you may contact the Member Services Branch of the Department of Employee Insurance at 888-581-8834 or 502-564-6534.

Kynect can help you evaluate your coverage options, including your eligibility for coverage through **kynect** and its cost. Individuals known as kynectors or insurance agents can also help you evaluate your coverage options through **kynect.** Please visit kynect.ky.gov or Healthcare.gov for more information. Beginning October 1, 2013, an online application for health insurance coverage will be available through **kynect**. You may also contact **kynect** by phone at 1-855-4kynect.

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[1] An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.