

Stanford Benefits

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The Affordable Care Act requires most U.S. citizens and resident aliens to have medical coverage beginning January 1, 2014 (or pay a penalty). To make affordable coverage available to everyone, the government has created Health Insurance Marketplaces. For information on the differences between state and federal marketplaces, visit www.healthcare.gov.

What You Need to Know

- The government requires us to send the enclosed notice to all employees.
 - Stanford offers medical coverage that meets the minimum essential coverage standard set by the Affordable Care Act.
 - You can still buy private medical insurance through the Marketplace, but you may not qualify for a discount on your monthly premium. Also, if you choose a Marketplace plan, Stanford will not make a contribution to your premiums and you'll pay for your coverage on an after- tax basis.
 - This means Stanford coverage likely provides a better value for you.
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If You Want Stanford Medical Benefits ...

- Do nothing with Health Insurance Marketplace.
 - Enroll in Stanford Benefits.
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If You Want to Shop for Marketplace Insurance ...

- Visit www.healthcare.gov to learn about the Marketplace and what plans are available.
 - If you decide to apply for medical coverage through the Marketplace, you must submit an application each year during the government's initial Open Enrollment period (October 1 – March 31).
 - Applications are available on www.healthcare.gov. Use the information on the enclosed notice to fill out the Employer section on the application.
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If You Have Questions

For questions about the Marketplaces or applying for Marketplace coverage, call the Health Insurance Marketplace at 800-318-2596.

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: the Health Insurance Marketplace. 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.

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.

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. 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 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, 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.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact Stanford Benefits at 650-736-2985 (option 9).

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 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.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

- 3. **Employer name:** Stanford University
- 4. **Employer Identification Number (EIN):** 94-1156365
- 5. **Employer address:** 3160 Porter Drive, Suite 250
- 6. **Employer phone number:** 650-736-2985 (option 9)
- 7. **City:** Palo Alto **8. State:** CA **9. ZIP:** 94304
- 10. **Who can we contact about employee health coverage at this job?** Stanford Benefits
- 11. **Phone number (if different from above):**
- 12. **Email address:**

Here is some basic information about health coverage offered by this employer.

As your employer, we offer a health plan to:

- All employees.
- Some employees. Eligible employees are:
 - You are eligible for Stanford's benefits program if you are scheduled to work in a benefits-eligible position for six months or more (four months or more for bargaining unit employees) and you are a:
 - Part-time employee working between 50% and 74% time (FTE), or
 - Full-time employee working between 75% and 100% time (FTE)

With respect to dependents:

- We do offer coverage. Eligible dependents are:
 - Spouse, same or opposite, unless legally separated
 - Registered Domestic Partner
 - Dependent children to age 26
 - Unmarried children over the age limit if:
 - They are dependent on you for primary financial support and maintenance due to a physical or mental disability
 - They are incapable of self-support, and
 - The disability existed before reaching age 19

Eligible children include:

- Natural children
- Stepchildren
- Legally adopted children
- Foster children
- Children for whom you are the legal guardian
- Children placed with you for adoption
- Children of your Registered Domestic Partner who depend on you for support and who live with you in a regular parent/child relationship
- Child for whom the court has issued a Qualified Medical Child Support Order (QMCSO)

- We do not offer coverage.
- If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

NOTE: 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.

If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process. Here's the employer information you'll enter when you visit HealthCare.gov to find out if you can get a tax credit to lower your monthly premiums.

The information below corresponds to the Marketplace Employer Coverage Tool. Completing this section is optional for employers, but will help ensure employees understand their coverage choices.

13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?

Yes (Continue)

13a. If the employee is not eligible today, including as a result of a waiting or probationary period, when is the employee eligible for coverage?

No (STOP)

14. Does the employer offer a health plan that meets the minimum value standard*?

Yes (Go to question 15)

No (STOP)

15. For the lowest-cost plan that meets the minimum value standard* offered **only to the employee** (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.

a. How much will the employee have to pay in premiums for this plan?

b. How often?

Weekly

Every 2 weeks

Twice a month

Monthly

Quarterly

Yearly

If the plan year will end soon and you know that the health plans offered will change, go to question 16. If you don't know, STOP.

16. What change will the employer make for the new plan year?

At this time, employer does not know if there will be changes for the new plan year.

Employer won't offer health coverage

Employer will start offering health coverage to employees or change the premium for the lowest-cost plan available only to the employee that meets the minimum value standard.* (Premium should reflect the discount for wellness programs. See question 15.)

a. How much will the employee have to pay in premiums for that plan?

b. How often?

- Weekly
- Every 2 weeks
- Twice a month
- Monthly
- Quarterly
- Yearly

Date of change (mm/dd/yyyy):

* 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 (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986)