

September 3, 2013

Dear Valued Employee:

As you are most likely aware, on March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act as passed and amended by the Health Care and Education Reconciliation Act of 2010 (collectively referred to as the "Affordable Care Act").

When key parts of the Affordable Care Act take effect in 2014, there will be a new way for individuals to buy health insurance through what is being referred to as the Health Insurance Marketplace (also known as the Health Benefit Exchange in New York State). This notice is being sent to you to assist you as you evaluate the options available to you and your family. These options will include the new Health Insurance Marketplace and your employment-based health coverage offered by the {Employer Name}.

Please read the following information about the Health Insurance Marketplace:

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.

New York State has established an official health benefit exchange web-site to provide consumers with critical information about the health insurance marketplace available to New York Residents, including benefit plans available and their associated costs. To access the web-site and access critical information, go to www.healthbenefitexchange.ny.gov.

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 cost, or provides you with 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. 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).

Special Note

If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you will 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 the {Employer Name}, please check your summary plan description or insurance contact as provided by Excellus BlueCross BlueShield.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit www.HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area. Please remember the New York State Health Benefit Exchange may be accessed directly at www.healthbenefitexchange.ny.gov.

We hope the above and enclosed information provides you with a better understanding of the Affordable Care Act and how the Health Insurance Marketplace will work in New York State.

Sincerely Yours,

{Name}
{Title}
{Employer Name}

PART B: Information About Health Your Coverage Offered by the {Employer Name}

The coverage provided by the {Employer Name} exceeds the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on your premium contribution and your wages. 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 are no less than 60 percent of such costs (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986

Special 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.

In addition to the statement above, this section contains information about the health coverage offered by the {Employer Name}. If you decide to complete an application for coverage in the Health Insurance Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Health Insurance Marketplace application.

3. Employer Name: {Employer Name}

4. Employer Identification Number (EIN): 00-0000000

5. Employer Street Address: {Employer Address}

6. Employer phone number: {Employer Phone #}

7. City: {City}

8. State: NY

9. Zip Code: {Zip Code}

10. Who can we contact about employee health coverage at this job? {Contact Name}

11. Phone number (if different from above): Phone #

12. Email address: {E-Mail Address}

In the following, we have provided some basic information about the health coverage offered by the {Employer Name}:

The {Employer Name} offers health insurance to the following classes of employees:

{Complete this section with your eligibility requirements to provide your active employees with health insurance coverage}

With respect to spouses and/or dependents:

We do offer coverage to eligible spouses and/or dependents based on the following criteria:

1. If you selected other than individual coverage, the following members of your family may also be covered:
 - A. Your spouse, unless you are divorced or your marriage has been annulled.
 - B. Your children who are under 26 years of age.
 - C. Any unmarried dependent child, regardless of age, who is incapable of self-sustaining employment because of mental retardation, mental illness, or developmental disability as defined in the New York Mental Hygiene Law, or because of physical handicap. The condition must have occurred before the child reached the age at which the child's coverage under this Certificate would otherwise have terminated. The child's disability must be certified by a physician. You must file an application in the form we approve to request that the child be included in your family coverage. We have the right to check whether a child is and continues to qualify under this paragraph. (See Section Fourteen for when coverage terminates.)

We have the right to request, and have furnished to us, such proof as may be needed to determine eligibility status of a prospective Subscriber and all prospective dependents as they pertain to eligibility for coverage under this Certificate.

2. Other Children Covered Under This Certificate. In addition to your natural children, the following other children may also be covered under this Certificate if the child meets the above eligibility requirements for children covered under this Certificate:
 - A. A legally adopted child;
 - B. A child chiefly dependent upon you for support and for whom you have been appointed the legal guardian by court order;
 - C. A stepchild who is chiefly dependent upon you for support; and
 - D. A child for whom you are the proposed adoptive parent and who is dependent upon you during the waiting period-prior to the adoption becoming final.

We have the right to request, and have furnished to us, such proof as may be needed to determine whether a child qualifies as a dependent for purposes of coverage under this Certificate.

3. Newborn Child. If you have a type of coverage that would cover a newborn, your newborn child will be covered at birth, provided you notify us within 30 days of the birth by completing the enrollment form to add the child to your coverage. If you are changing your type of coverage (for example from individual to family coverage) in order to cover the newborn child, you must complete the enrollment form to extend your coverage to include your child within 30 days of the birth. If you do not complete the form within 30 days of the birth, coverage of the child will not become effective until the next premium due date after we receive the application. If a child of yours who is covered under this Certificate gives birth, your newborn grandchild will not be covered (unless any of the criteria of Paragraph 2 above apply).

4. Adopted Newborns. If you have a type of coverage that will cover a newborn, or switch to a type of coverage that will cover a newborn, in accordance with Paragraph 3 above, we will cover a proposed adoptive newborn from the moment of birth if you (the proposed adoptive parent) take physical custody of the infant as soon as the infant is released from the Hospital after birth and you file a petition within 30 days of the infant's birth pursuant to §115-C of the New York State Domestic Relations Law or a comparable provision when the child is adopted in another state. However, we will not provide coverage for the initial Hospital stay of an adopted newborn if one of the child's natural parents has coverage available to cover the newborn's initial Hospital stay. We will also not provide coverage for the newborn if a notice of revocation of the adoption has been filed or one of the natural parents revokes consent to the adoption. If we provide coverage of an adopted newborn and notice of the revocation of the adoption is filed or one of the natural parents revokes their consent, we will be entitled to recover any sums paid by us for care of the adopted newborn.

If you decide to shop for coverage in the Marketplace, www.HealthCare.gov will guide you through the process. The employer information contained in this letter is the information you'll enter when you visit www.HealthCare.gov to find out if you are eligible for a tax credit to lower your monthly premiums. Please remember the New York State Health Benefit Exchange may be accessed electronically at www.healthbenefitexchange.ny.gov.