



Health Care Reform ~ Hot Topic

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Model Notices Explanation

The Department of Labor (DOL) has released 3 model notices as a result of changes under Health Care Reform:

- [Exchange Model Notice](#) for Employers Who Offer a Health Plan to Some or All Employees (must be distributed to current employees no later than October 1, 2013)
- [Exchange Model Notice](#) for Employers Who Do Not Offer a Health Plan (must be distributed to current employees no later than October 1, 2013)
- [Revised Model COBRA Election Notice](#) (provided to eligible employees and dependents when a qualifying event occurs)

New Health Insurance Exchange (Marketplace) Notices

The Exchange Notice provides employees with certain information related to the new Exchanges (also called Marketplaces) which are expected to begin operating next year. Following a delay in the original effective date, **employers are required to provide this written notice to each current employee not later than October 1, 2013, and to each new employee at the time of hiring beginning October 1, 2013.** For 2014, a notice will be considered provided "at the time of hiring" if it is provided within 14 days of an employee's start date.

Employers must provide the notice to each employee (automatically and free of charge) regardless of plan enrollment status (if applicable) or of part-time or full-time status. Two separate notices are available from the DOL--one [model notice](#) for employers who offer a health plan to some or all employees, and another [model notice](#) for employers who do not offer a health plan. The notice may be provided by first-class mail, or, alternatively, it may be provided electronically if certain requirements are met. Employers do not need to provide a separate notice to dependents or other individuals who are or may become eligible for coverage under the plan but who are not employees.

Additional details regarding the Exchange Notice are explained in [Technical Release 2013-02](#). According to the DOL, this temporary guidance will remain in effect until the issuance of regulations or other guidance. Future regulations or other guidance will provide adequate time for employers to comply with any additional or modified requirements.

Health Insurance Exchange and Revised COBRA
Model Election Notices Released

Model Notices Explanation

Updated Model COBRA Election Notice Includes Information Regarding Health Insurance Exchanges (Marketplaces)

A revised [Model COBRA Election Notice](#) is now available for group health plans to inform eligible employees and dependents of the right to continuation of coverage under federal law and how to make an election when a qualifying event occurs. The updated model notice includes additional information for qualified beneficiaries who may want to consider and compare health coverage alternatives to COBRA that will be available through the Exchanges (also known as Marketplaces), which are expected to begin operating in 2014. The revised notice also describes the availability of premium tax credits for purchasing coverage through the Exchange.

Federal COBRA generally applies to group health plans sponsored by employers with 20 or more employees (including both full- and part-time employees) on more than 50% of their typical business days in the previous calendar year. In general, an individual who was covered by a group health plan on the day before a qualifying event (such as termination of employment) may be able to elect COBRA continuation coverage upon a loss of coverage due to the qualifying event. Upon the occurrence of a qualifying event, the plan administrator is required to provide these individuals (called "qualified beneficiaries") with an election notice, generally within 14 days after the administrator receives notice of the qualifying event.

Additional information regarding the revised notice is available in [Technical Release 2013-02](#). A [redline from the prior model notice](#) is also available to identify the changes made from the previous version. Further details on the technical information can be found on the Sterling HCR Newsfeed: [DOL Releases Guidance on Model Exchange Notice & Model COBRA Election Notice](#).

We'll continue to send out updates as they become available, but we encourage you to review the information and utilize our [Resource Website](#), our [News Feed](#), and office as a resource in addressing questions and concerns. The website and news feed include previous Sterling publications, hot topics, resource links, highlights, timelines, calendars, and release of latest updates. Please feel free to share these resources and invite people to sign up for electronic Reform updates!

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Sterling Benefits Reform News Feed

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IMPORTANT: This document has been compiled from numerous sources and is designed to provide a general overview of the new health reform law. It does NOT attempt to cover all of the law's provisions and should NOT be used as legal advice for implementation activities.

We encourage you to seek any professional advice, including legal counsel, regarding how the new requirements will affect your specific plan.

Links - Further Reading

[HR 3590 – Patient Protection and Affordable Care Act.](#)

[HR 4872 – Health Care and Education Reconciliation Act.](#)

HealthCare.gov

[HHS – The U.S. Department of Health and Human Services.](#)

[IRS – The Federal Internal Revenue Service.](#)

[White House Fact Sheets](#)

Healthcare Reform Website

www.healthreform.gov has been archived. The new website is:

HealthCare.gov