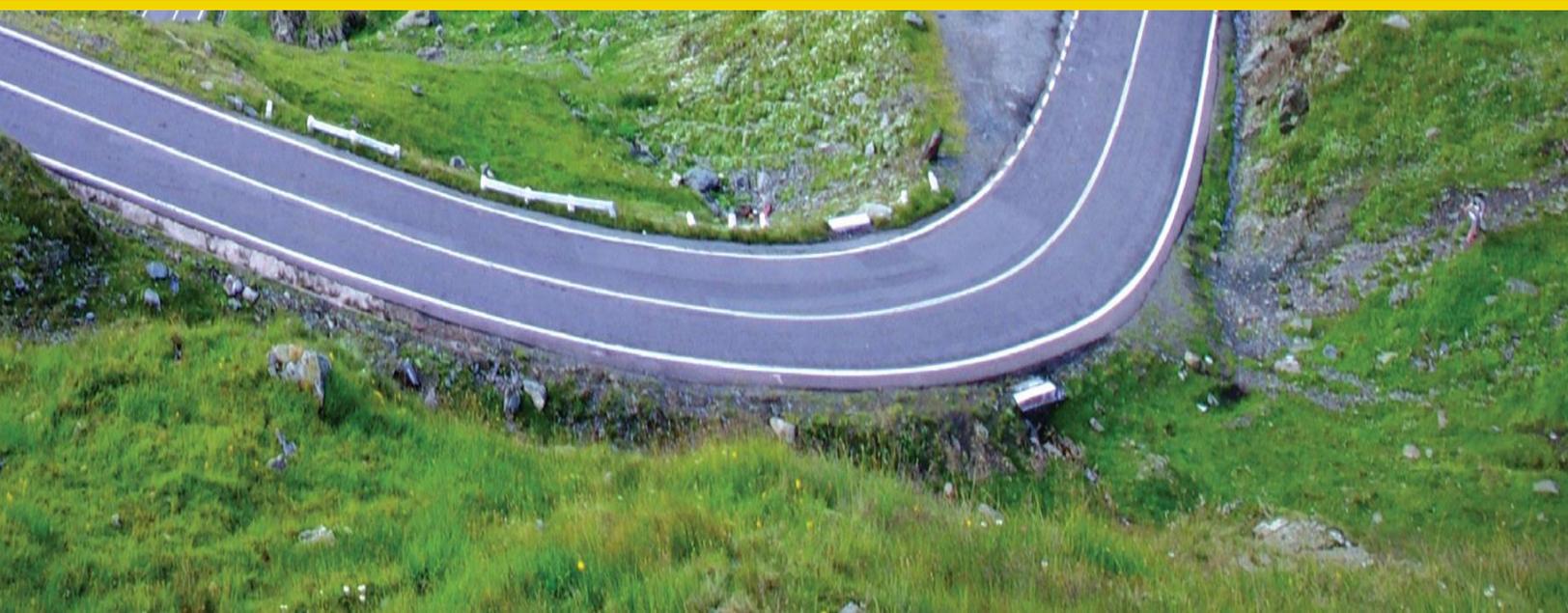




Your Affordable Care Act Information Package

What does Healthcare Reform mean for you and your family?



In the Know with Healthcare Reform

Dear Employee,

Kent City School District appreciates you and the important work you do. As our valued employee, we also want to be sure you are informed about the benefits of working for our organization. In the coming months, we will share specific details about our comprehensive benefits program for 2014. As we do, it is important to keep Healthcare Reform in mind. Healthcare Reform involves significant changes for our industry and the delivery of health services; it also impacts Kent City School District as an employer and you personally.

This Affordable Care Act Information Package is the first in a series of material you will receive. This package highlights some of the key provisions of Healthcare Reform that will affect you in the months ahead and into the future including:

- Healthcare Reform provisions that impact you and your family
- Healthcare Reform's individual mandate that requires most individuals to obtain health insurance
- Information about the Health Insurance Marketplace that will be available in 2014
- Healthcare Reform's taxes and fees that potentially impact your medical plan

The materials are a starting point as you begin planning and asking questions. In the Fall, you will receive more information about our benefits plan, as well as official notices from the government regarding Health Insurance Marketplaces.

In the meantime, we encourage you to review this information thoroughly, that you will be prepared to make the best healthcare decisions for you and your family.

Planning today will help you be prepared tomorrow!

Best regards,

Deborah A. Krutz
Kent City School District

What is Healthcare Reform?

The Patient Protection and Affordable Care Act, otherwise known as Healthcare Reform, is a U.S. Federal statute that was signed into law on March 23, 2010.

When will Healthcare Reform go into effect?

Many of the law's changes already have been implemented. Many more changes will happen in 2014, as well as in the next few years.

What is the goal of Healthcare Reform?

Healthcare Reform is designed to provide health insurance coverage for more Americans through mandates, government subsidies and tax credits. Some provisions of Healthcare Reform include eliminating exclusions for pre-existing conditions, implementing individual mandates and initiating Health Insurance Marketplaces, otherwise known as Exchanges.

How is Healthcare Reform funded?

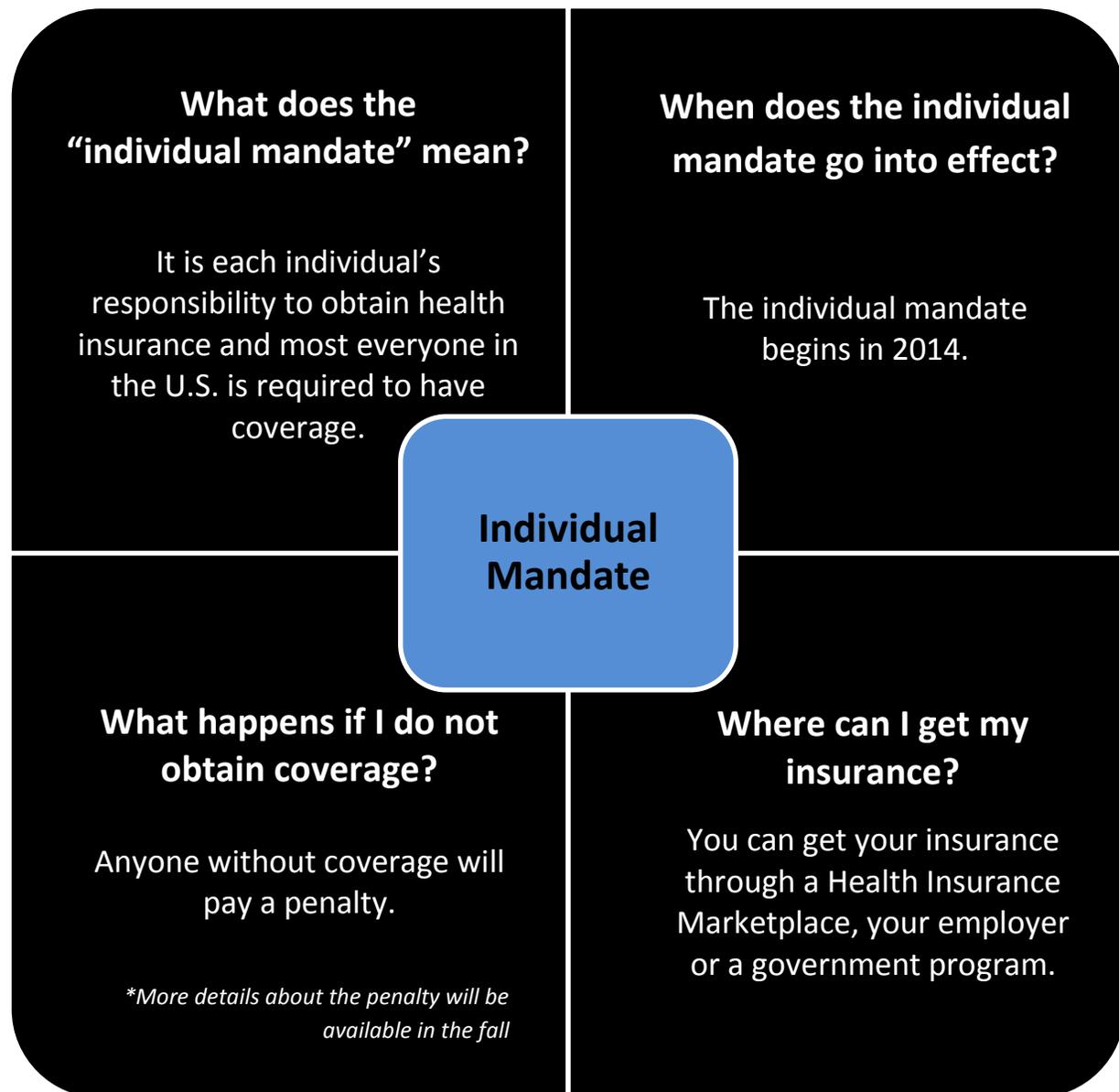
Healthcare Reform's provisions are funded by a variety of taxes and offsets, including a Patient Centered Outcomes Research Institute tax, a reinsurance fee and a broadened Medicare tax. In addition, there is a Cadillac tax, which will go into effect beginning in 2018.

Does it affect Community Health Systems or my employer-sponsored medical plan?

Yes. Healthcare Reform puts new restrictions and requirements on all of the healthcare plans that we provide. Additionally, the new taxes and fees that fund Healthcare Reform will result in higher employer costs providing benefits.

Healthcare Reform's Individual Mandate

Healthcare Reform has an "individual mandate."



Insurance Provider Options

Beginning in 2014, most everyone must have health insurance or pay a penalty. Understanding your employer-sponsored plan versus the Health Insurance Marketplace will help you be prepared for the changes ahead.

	Employer-sponsored plan	A Health Insurance Marketplace
What is it?	An employer-sponsored plan is the health insurance that you can obtain through your employer.	A Health Insurance Marketplace is a new way to buy health insurance. Each state may have a unique plan. The plans will be available on the Internet, similar to shopping on retail websites. If you qualify based on your household income, you may be eligible for a government subsidy to help you buy health insurance on the Marketplace.
Who can obtain it?	Most full-time* employees.	Most citizens and people legally working in the U.S., regardless of their medical condition.
How do I obtain it?	Information about our health plan will be provided at the next Open Enrollment.	After completing an application, you can go online to shop and compare the insurance plans on the Marketplace. You are responsible for choosing the plan that is best for you.
Where do I obtain it?	Through your employer. More information about how to enroll will be provided at the next Open Enrollment.	Online on the Health Insurance Marketplace website which will be announced this Fall.
How do I pay for it?	Your employee contributions will continue on a pre-tax basis via payroll deduction.	Premiums for insurance on the Health Insurance Marketplace are paid directly by you on an after-tax basis.
When can I obtain it?	During the next Open Enrollment. Please stay tuned for more information.	Information about coverage through the Health Insurance Marketplace will be available soon with plans taking effect in January 2014.*

**Effective 1/1/2015, individuals who work an average of 30 hours per week will be considered full-time employees for the purposes of health benefits only.*

**The Health Insurance Marketplace is required to provide detailed information by October 1, 2013. At this time, detailed information has not yet been released.*

Healthcare Reform Taxes and Fees

Healthcare Reform is not free.



Healthcare Reform initiatives will be funded by a variety of taxes, fees and penalties.

These are paid for not only by insurance providers, but also by employers, and potentially, you.

Insurance providers will pay most fees associated with Healthcare Reform. They will pass these fees to employers in the form of higher costs.

Employer insurance plans may be more expensive to provide because benefits will be more expensive.

Employees covered by these plans will likely see increased costs in the form of higher deductibles, co-payments and contributions. To maintain the benefit plan, both the employer and employee will need to share the cost.

What's Ahead?

In the Fall...

- You will receive more information about the Health Insurance Marketplace in the fall. This information will help you determine whether a plan through your employer or on the Marketplace is the right fit for you, and if so, how to enroll.
- If you decide to purchase coverage through a Marketplace, you can enroll in October, 2013. You will be responsible for choosing the plan on the online Marketplace and paying the premiums
- For employees who are newly eligible for health coverage, it is your responsibility to obtain coverage and to understand whether you are eligible to participate in an employer-sponsored plan or plans offered via the Marketplace
- If you are a full-time employee, currently have benefits through your employer, and do not choose a plan on the Marketplace, you will remain enrolled in the employer-sponsored plan unless you opt out. Employee contributions will continue on a pre-tax basis via payroll deductions.
- Just because health insurance is available on a Marketplace does not necessarily mean it is the best option for you. When the time comes, make sure you review the plan benefits versus costs. Carefully compare the plan options that may be available to you.

Remember: In 2014, you must have health insurance. If you do not, you will pay a penalty. You can have this insurance through an employer, the Marketplace, or a government program.

Glossary of Terms

Here are some terms that you will see frequently in the months ahead.

	Definition
ACA	Acronym for “Affordable Care Act”
Affordable Care Act	Affordable Care Act is an abbreviated way to express Patient Protection and Affordable Care Act, or what is commonly known as Healthcare Reform
After-tax	The amount of income after taxes have been subtracted
CMS	Center for Medicare & Medicaid Services. This government agency is implementing new programs and tools as a result of Healthcare Reform. <i>Previously known as Department of Health & Human Services</i>
Co-insurance	When your plan sponsor pays part of your medical bills and you pay the other part
Co-payment	The amount defined in the insurance policy and paid by you when you receive a health service.
Deductible	The amount of expenses that must be paid out of pocket before an insurer will cover or pay remaining costs
Employee Contribution	Your share of the premium costs, which can be contributed from your paycheck either before or after taxes
Employer contribution	The amount an employer contributes toward the premium costs of a health plan for the organization
Employer-sponsored plan	A benefit plan offered by the employer
Essential Health Benefits	A set of health care service categories that must be covered by certain health plans beginning in 2014
Exchanges	A set of government regulated and standardized health care plans in the United States, from which individuals may purchase health insurance. <i>Now known as Health Insurance Marketplaces.</i>
Federal Poverty Level	An income level measure used to determine eligibility for certain programs and benefits, including eligibility and subsidy levels for health insurance through the Affordable Care Act
Full-time employee	Effective 1/1/2015, any individual who works an average of 30 hours per week will be considered a full-time employee for the purpose of determining eligibility for health benefits only (vacation, retirement are not included in this definition)

Health Insurance Marketplace	A set of government regulated and standardized health care plans in the United States, from which individuals may purchase health insurance. <i>Previously known as Exchanges.</i>
Household Income	Household income refers to the total income from all people living in a household
Insurance	A policy that provides financial protection against certain risks (such as health insurance)
Mandate	An official requirement to do something
Marketplace	An abbreviated way to express health insurance Marketplace
Minimum Essential Coverage	Coverage through a government-sponsored plan, employer-sponsored plan or a health insurance Marketplace; most individuals need to have minimum essential coverage by 2014
Out-of-pocket expenses	Expenses for medical care that are not paid for by your insurance plan
Patient Protection and Affordable Care Act	A federal statute signed into law on March 23, 2010, aimed at expanding the rate of health insurance coverage for Americans. <i>Also referred to as PPACA, Obamacare, ACA and Affordable Care Act.</i>
Penalty	A fine incurred for a violation of a law or rule; individuals who do not obtain minimum essential coverage by 2014 will be subject to a penalty
PPACA	Acronym for "Patient Protection and Affordable Care Act"
Pre-tax	The amount of income before taxes have been subtracted
Premium	The amount paid for your health insurance for a set time period usually monthly or annually
Qualified Health Plan	A health insurance plan that provides essential health benefits and follows established limits on cost-sharing such as deductibles and co-payments
Subsidy	The amount that the government contributes to help pay for health insurance; if an individual qualifies for a subsidy, it will go directly to the health insurance provider when they purchase insurance to lower the monthly premiums
Tax Credit	A reduction of the income tax you owe



This Affordable Care Act Information Package was prepared for the employees of Kent City School District by Gallagher Benefit Services, a subsidiary of Arthur J. Gallagher.

The intent of this analysis is to provide general information regarding the provisions of current health care reform legislation and regulation. It does not necessarily fully address all your organization's specific issues. It should not be construed as, nor is it intended to provide, legal advice. Your organization's general counsel or an attorney who specializes in this practice area should address questions regarding specific issues.