



4th District IBEW Health Fund

**The Fund's Health
Coverage is Adequate
and Affordable
(According to the
Affordable Care Act
Standards)***



* We think it's a lot better than that!

One of the upcoming changes required by the Patient Protection and Affordable Care Act (ACA) is the “individual mandate,” which requires that everyone have a minimum level of essential coverage or pay a penalty starting on January 1, 2014. In an effort to help all individuals and small employers meet this mandate, Health Insurance Marketplaces (also known as “Exchanges”) will open for enrollment on October 1, 2013. As you may have already noticed, insurance companies are launching aggressive advertising campaigns promoting their plans. We expect this only to intensify as the October 1 and January 1 dates get closer. For most people, sorting through the details to determine what coverage is best for them and their families may prove to be overwhelming; however, members of the 4th District IBEW Health Fund and contributing employers will not have to worry because the Fund has them covered.



The Fund's benefits meet or exceed all the legally required provisions of the Affordable Care Act. For members, this means all eligible participants meet the individual mandate. For contributing employers, this means being able to offer benefits to 4th District IBEW Health Fund members without worrying about ACA penalties.

The Fund's Coverage is “Adequate”

In general, coverage is considered “adequate” under the Affordable Care Act (“ACA”) if the plan covers at least 60% of the total cost of benefits. The Fund's medical plans pass this test.

What's more, it is important to remember that the insurance sold through the public Marketplaces is not meant to replace employment-based plans, such as the Fund's plan. Rather, it is designed to offer coverage opportunities for those individuals who might not currently have health insurance. As a result, the difference between Marketplace coverage and our Fund's coverage is expected to be substantial, as shown in *The Fund's Coverage is Comprehensive* section.

The Fund's Coverage is Affordable

Coverage is considered “affordable” under the ACA if the member’s cost for “member-only” coverage is not more than 9.5% of his/her annual wages as reported by a contributing employer. For example, if an individual’s wages are \$40,000, coverage is affordable if his/her cost for “member-only” coverage is not more than \$3,800 a year. The cost of coverage for our Fund members is a factor of the hourly rate employers contribute on their behalf, as determined by their Collective Bargaining Agreement. Therefore, coverage is 100% funded by employer contributions and members pay nothing, which means the Fund’s benefits pass this test and are considered affordable.

Some lower-income individuals may qualify for government help in paying for medical coverage they buy from an online Marketplace through a “Premium Assistance Tax Credit.” However, most Fund members will not qualify for this government subsidy because they already have access to affordable, adequate coverage through the Fund. Until the Marketplaces open for business, no one knows for sure how much that coverage will cost. At this time, we believe it will be more costly for members to buy insurance through an online Marketplace.



The cost of coverage under the Fund’s benefits is a factor of the hourly rate employers contribute on behalf of members. Therefore, coverage is 100% funded by employer contributions. Members pay nothing, which means the Fund’s benefits are considered affordable.

The Fund's Coverage is Comprehensive

It's expected that benefits under the Fund's plan will be a better value and more comprehensive than the coverage offered by the Marketplace plans. As shown in the chart below, benefits available through the Fund provide more than just medical coverage and they are available to our members and their eligible spouse and/or children.

Benefit Coverage Comparison		
Type of Benefit	Available through the Fund	Available through the Marketplaces
Medical	Yes	Yes
Prescription Drugs	Yes	Yes
Dental	Yes	Children only— not for members
Vision	Yes	Children only— not for members
Chiropractic	Yes	?
Hearing aid benefit	Yes	?
Loss-of-time benefits	Yes	
Life insurance/ Accidental Death and Dismemberment (AD&D)	Yes	
Eligibility extensions	Yes	

Another provision of the ACA requires employers to send the “*New Health Insurance Marketplace Coverage Options and Your Health Coverage*” Notice to all employees. This *Notice* summarizes the health coverage offered by your employer. With this information, individuals will be able to shop for coverage in the public Marketplaces, if applicable. When 4th District IBEW Health Fund members receive the *Notice*, they can file it with their other benefits information after reviewing it.

The differences between the Fund's benefits and the Health Insurance Marketplaces' benefits are expected to be substantial:

- ▶ **The Fund's benefits are designed with members' best interests in mind.** The Fund's benefits have evolved and been determined after years of considering the best interests of our members and their dependents versus general benchmark reports for "similar" groups of people, which is how the Marketplace plans are being developed.
- ▶ **The Fund makes customer service a priority.** Members have access to a dedicated staff at the Fund Office who are available to answer questions about eligibility, medical claims, what's covered and what's not covered as well as many other topics. Although there are consumer assistance provisions in place under the Affordable Care Act, it is not clear yet how the public Marketplaces will handle customer service or how many different plans representatives will be monitoring.
- ▶ **The Fund offers large provider networks.** The Fund continually works with Anthem Blue Cross and Blue Shield on behalf of our members to make sure the Preferred Provider Organization (PPO) Network includes most providers, hospitals and specialists used by members. The Fund works with Sav-Rx in the same way to be sure most of the large, retail pharmacy chains are participating Sav-Rx pharmacies. There are many unknowns relating to the public Marketplaces, including provider networks.

For more about the 4th District IBEW Health Fund's benefits, visit: www.4thdistricthealthfund.com

