



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Benefits Administrator Memo

#16-04

To: Benefits Administrators
From: State and Local Health Benefits Programs
CC: All OHB, All Agency Human Resource Directors
Date: July 14, 2016
Re: Correspondence/Notice from Health Insurance Marketplace

A number of state agencies have reported receiving notices from the Health Insurance Marketplace regarding an employee's application for coverage in a Marketplace plan and determination of that employee's eligibility for a tax credit or cost-sharing reduction in 2016.

The purpose of these notices is to offer employers an opportunity to appeal eligibility for a tax credit or reduction for an employee who may not be eligible to receive it. This could happen if an employee was correctly offered affordable, minimal essential/value coverage through the State Health Benefits Program but erroneously reported that he or she did not receive a valid offer. ***If you determine that the employee named in your correspondence was eligible for and offered coverage in the State Health Benefits Program, you should exercise the appeal right.*** Instructions for requesting an appeal are included in the notice. The appeal must be submitted within 90 days of the date of the letter. However, if the employee listed in your letter was not eligible for coverage per ACA requirements, no action on your part is necessary at this time.

Following are responses to the three conditions referenced in the notice and are provided to assist you in understanding reasons that the notice may have been generated and, if necessary, to submit an appeal.

Condition 1: Employee didn't have an offer of health care coverage from (Name of Employer)

Response 1: The Affordable Care Act requires large employers to offer affordable, minimum essential/value coverage to all full-time or full-time equivalent/FTE (30 or more hours per week) employees. Failure of an employee to accept a valid offer of coverage would not preclude the employee's application for Marketplace coverage but would affect eligibility for a tax credit or other reduction. A full-time or FTE employee who was offered but declined coverage would be evidenced by a waive record in the Benefits Eligibility System (BES). There are valid reasons why an employee would not be eligible for or offered State Health Benefits Program coverage and could be eligible for a tax credit or reduction in Marketplace coverage (e.g., wage employees who are not eligible for coverage).

Condition 2: Employee did have an offer of health care coverage, but it wasn't affordable or didn't provide minimum value

Response 2: The State Health Benefits Program's coverage has been determined to be affordable and to provide minimum value.

Condition 3: Employee was in a waiting period and unable to enroll in health care coverage

Response 3: There is no waiting period for employees eligible for State Health Benefits Program coverage.

If you need additional information regarding State Health Benefits Program coverage, contact the Office of Health Benefits at ohb@dhrm.virginia.gov. If you have questions related to employment issues, contact your HR Consultant.