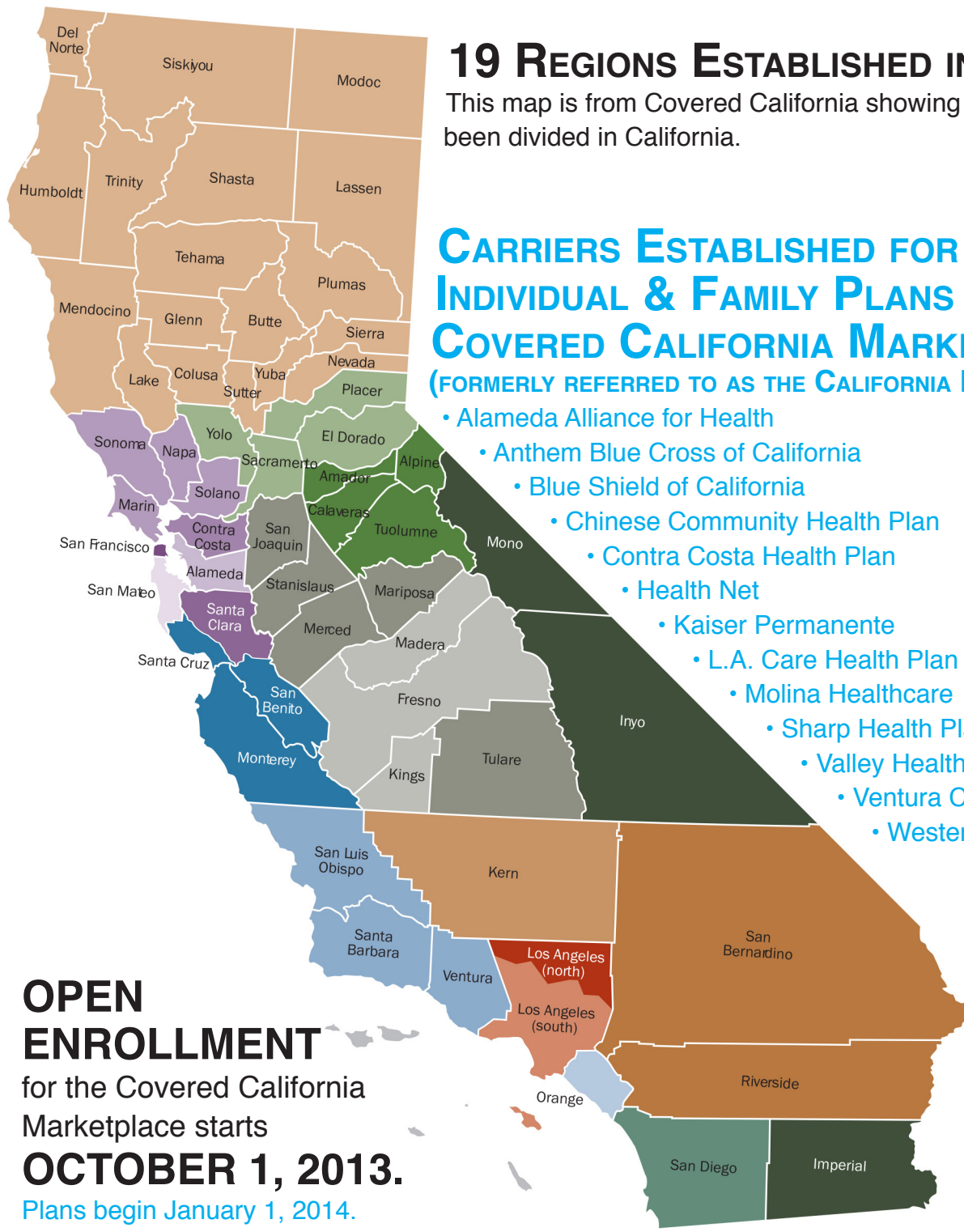


Health Care Reform

WHAT TO EXPECT IN 2014



19 REGIONS ESTABLISHED IN CALIFORNIA
This map is from Covered California showing how the regions have been divided in California.

CARRIERS ESTABLISHED FOR INDIVIDUAL & FAMILY PLANS IN THE COVERED CALIFORNIA MARKETPLACE (FORMERLY REFERRED TO AS THE CALIFORNIA EXCHANGE)

- Alameda Alliance for Health
- Anthem Blue Cross of California
- Blue Shield of California
- Chinese Community Health Plan
- Contra Costa Health Plan
- Health Net
- Kaiser Permanente
- L.A. Care Health Plan
- Molina Healthcare
- Sharp Health Plan
- Valley Health Plan
- Ventura County Health Care Plan
- Western Health Advantage

OPEN ENROLLMENT
for the Covered California Marketplace starts
OCTOBER 1, 2013.

Plans begin January 1, 2014.

INDIVIDUAL AND FAMILY PLAN UPDATES

- As of January 1, 2014, all plans will be guaranteed issue.
 - Carriers cannot deny coverage based on pre-existing medical conditions
 - There will be no waiting periods for treatment of pre-existing medical conditions
- To receive financial assistance from the government, individuals must be in certain income brackets and buy a health insurance plan inside the Covered California Marketplace at the Silver metal level.
- Those receiving financial assistance from the government will be required to notify the government if they have a change in income. Those who do not notify the government and receive more assistance than should have, will have to pay back any additional assistance they did not qualify for.
- United Health Care and Aetna have announced that they will no longer be providing individual plans in California starting January 1, 2014.

SMALL GROUP UPDATES

- If you do not offer your employees health insurance, you will not be penalized.
- If you currently have a group plan, the new regulations will not affect your current plan until the 2014 renewal of the plan.
 - Current Risk Adjustment Factors (RAF) will be dissolved at the 2014 group renewal.
 - If your company has a .90 RAF (10% discount) consider early renewal of your plan this December to lock in your discounted rate.
- As of January 1, 2014, employer group plans have a 60 day waiting period maximum for new employees. This means employers will need to have no more than a 30 day wait in place for new hires to avoid going over the 60 day maximum.
- If you offer insurance, you are required to pay at least 50% of the Employee's rate .
- The federal government is requiring all employers to give all employees a letter notifying them about their option to buy health insurance within the Covered California Marketplace by October 1, 2013.
 - The letter from the Department of Labor is available on our website at www.rlwellsinc.com/healthcarereform.html or you can go directly to the Department of Labor's website to download it.
 - There could be a penalty if you do not give the California letter to all your employees by October 1, 2013 (including part-time and seasonal).
 - New hires after October 1, must be given the letter within 14 days from their date of hire.
- If an employee under the age of 26 qualifies for their employer group plan, they will become ineligible as a dependent on their parent's plan under most circumstances.

LARGE GROUP UPDATES

- The penalties for large group employers has been postponed until 2015.

For more information and our previous flyers please go to
<http://www.rlwellsinc.com/healthcarereform.html>