



**THE HEALTH PLAN THAT WANTS TO
GIVE YOU THE OPPORTUNITY TO GET
MONEY BACK - EMPLOYERS WITH 50
OR MORE EMPLOYEES**



**MEDICAL PLAN OPTIONS
MINIMUM VALUE PLAN (MVP) & MINIMUM ESSENTIAL PLAN (MEC)
DESIGNED FOR**



**Marketed Exclusively Through the Texas Association of Builders
Broker Network
<http://www.tabinsurancemarketplace.com>**



EMPLOYER REQUIREMENTS UNDER ACA



The Covenant Services Group has engineered an employer, self-funded Minimum Value Plan (MVP) and Minimum Essential Plan (MEC) to address the specific portion of the ACA pertaining to penalties for large employers. It is critically important for large employers (those with 50 or more full-time equivalent employees) to have options available in creating a strategy that best meets the needs and finances of their organization.

A large employer is defined as

An employer qualifies as a large employer if it employed an average of at least 50 full-time and "full-time equivalent employees" on business days during the preceding calendar year. "Full-time" means employed to provide services, on average, at least 30 hours per week.

In addition to counting all full-time employees, the employer must also take in to consideration all full-time equivalents, based on hours worked by employees not satisfying the definition of full-time. The Internal Revenue Service (IRS) has proposed a method of determining full-time equivalents, and for using the number of full-time equivalents in calculating the total number of employees to determine if an employer is a large employer.

Employer Pay or Play Rules

Under these rules, only large employers will be subject to non-deductible tax penalties (formally known as assessable payments) if either of the two conditions described below apply:

- 1) The large employer DOES NOT offer full-time employees (and dependents) the opportunity to enroll in "minimum essential health coverage," and at least one full-time employee enrolls in government-subsidized coverage through a health insurance exchange.
- 2) The large employer DOES offer minimum essential health coverage, but the coverage is either;
 - a) "unaffordable" or does not provide "minimum value";
 - b) at least one full-time employee enrolls in government-subsidized coverage through a health insurance exchange.

Coverage is deemed unaffordable if the "cost" is more than 9.5% (adjusted for years after 2014) of the employee's family income. Cost is defined as the cost for employee-only coverage under the lowest-cost minimum value plan offered to the employee. Coverage is considered to provide minimum value only if the plan's share of the total allowed costs of benefits under the plan is at least 60 percent.

No-Coverage Penalty

If a large employer fails to offer full-time employees (and their dependents) the right to enroll in minimum essential coverage for any month, and at least one full-time employee has been certified to the employer as having enrolled for the month in government-subsidized coverage through a health insurance exchange, then the employer will be assessed and must pay as penalty (subject to annual inflationary increases) a monthly amount equal to 1/12th of \$2,000 (or \$166.67 per month) multiplied by the number of the employer's full-time employees minus 30.

Non-Compliant Coverage Penalty

In order to avoid penalties, the employer must offer its full-time employees the right to enroll in minimal essential coverage that is both affordable and provides a minimum value. If the employer offers minimum essential coverage, but the coverage is either unaffordable or fails to provide minimum value, and one or more full-time employees enrolls in government-subsidized coverage through a health insurance exchange, then the employer will be assessed and must pay as a penalty (subject to annual inflationary increases) either a monthly amount equal to 1/12th of \$3,000 (or \$250 per month) multiplied by the number of full-time employees enrolled for government subsidized health insurance coverage for the month or must pay the penalty that would apply if no coverage was offered at all.

MINIMUM ESSENTIAL COVERAGE



Minimum Essential Coverage covers 100% of the government's listed Preventive and Wellness Benefits when you visit a network provider (40% out-of-network).

This coverage is required to satisfy an individual's mandate under the new healthcare law.

To meet the Patient Protection and Affordable Care Act's standard for providing minimum essential benefits, a group plan needs to cover preventive care services and eliminate member cost-sharing (copayments, deductibles or coinsurance) for certain in-network preventive care services. This means that members pay nothing extra out-of-pocket, to have access to a variety of medical screenings, exams, and immunizations that may help reduce their risk of developing health conditions in the future and maintain their health.

As for employees, ACA requires all individuals to have Minimum Essential Coverage (MEC) beginning January 1, 2014 or pay a penalty tax. Employees can prevent being taxed the "Individual Mandate" penalty by purchasing Minimum Essential Coverage through their employer.

If an individual does not purchase a Minimum Essential Plan, the following taxes will be levied against the individual.

- 1) January 1, 2014, an employee will face a tax of the greater of 1% of adjusted household income or \$95 per adult plus \$47.50 per child;
- 2) January 1, 2015, an employee will have to pay the greater of 2% of adjusted household income or \$325 per adult plus \$162.50 per child;
- 3) Thereafter, the tax will be the greater of 2.5% of adjusted household income or \$695 per adult plus \$347.50 per child.

There are 63 preventive services covered at 100% under the required government list of Preventive and Wellness Benefits when an employee visits a network provider. The benefits drop to 40% if an employee utilizes an out-of-network provider.

Services covered include immunizations, blood pressure screenings, diabetes and cholesterol screenings, prenatal visits for pregnant women and more. A full list of the covered services is included in this proposal.

Minimum Essential Coverage (MEC) provides first dollar coverage with access to one of the largest national preferred provider organizations (PPO) available with great discount savings for MEC benefits.

MINIMUM VALUE PLAN



Minimum Value Plan Coverage provides 100% coverage of the mandated government's listed Preventive and Wellness Benefits when you visit a network provider (40% out-of-network).

Minimum Value Plan (MVP) provides healthcare on a 60% minimum value basis with major medical benefits.

As outlined under the new healthcare law, Affordable Care Act (ACA), all individuals must have coverage beginning January 1, 2014, or pay a penalty tax. Employees can prevent being taxed the "Individual Mandate" penalty by purchasing Minimum Value Plan through their employer.

If an individual does not purchase a Minimum Value Plan, the following taxes will be levied against the individual.

- 1) January 1, 2014, an employee will face a tax of the greater of 1% of adjusted household income or \$95 per adult plus \$47.50 per child;
- 2) January 1, 2015, an employee will have to pay the greater of 2% of adjusted household income or \$325 per adult plus \$162.50 per child;
- 3) Thereafter, the tax will be the greater of 2.5% of adjusted household income or \$695 per adult plus \$347.50 per child.

There are 63 preventive services covered at 100% under the required government list of Preventive and Wellness Benefits when an employee visits a network provider. The benefits drop to 40% if an employee utilizes an out-of-network provider.

Services covered include immunizations, blood pressure screenings, diabetes and cholesterol screenings, prenatal visits for pregnant women and more. A full list of the covered services is included in this proposal.

Minimum Value Plan (MVP) provides healthcare on a 60% minimum value basis with major medical benefits.

The MVP provides access to one of the largest national preferred provider organizations (PPO) available with great discount savings for MVP benefits.