



TO: All City of San Bruno Employees

FROM: Tami Yuki, Human Resources Director

DATE: September 26, 2013

SUBJECT: Affordable Care Act effective January 1, 2014

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Dear City of San Bruno Employee:

Implementation of the Affordable Care Act of 2010 (the healthcare reform law, also known as “Affordable Care Act” or “Obamacare”) requires the enclosed notice be sent to every employee. Effective January 1, 2014 the Affordable Care Act requires that all Americans must have health coverage for themselves and any dependent children. Individuals who do not have medical coverage on or after January 1, 2014 will be subject to a Federal tax penalty (known as the individual mandate penalty).

**If you are a permanent full-time City of San Bruno employee, you currently participate in the health plan offered by Teamsters Health and Welfare Trust. Permanent full-time employees and retirees will continue to receive currently provided medical and prescription drug benefits. You do not need to do anything else to comply with the individual mandate. Participation in the Teamsters health plan meets the minimum essential coverage standards set by the Affordable Care Act.**

**If you are a regular part-time employee working less than thirty (30) hours per week, or if you are a temporary, seasonal or casual employee, you are *not* eligible for health insurance coverage through Teamsters Health and Welfare. To acquire health insurance and avoid the federal tax penalty, you may obtain health insurance coverage through Covered California, the state exchange that was created in compliance with the Affordable Care Act. For more information please visit [www.CoveredCA.com](http://www.CoveredCA.com) or call (888) 975-1142. If you purchase coverage from an exchange, you may also qualify to receive credits or subsidies depending on your income and family size. Health coverage through Covered California begins January 1, 2014.**

Please note that employees and their families **who are eligible** for health coverage through the City of San Bruno **will not** qualify for federal subsidies to offset premiums on the Covered California exchange, due to the City of San Bruno’s employer contribution, the types of health coverage the City of San Bruno offers, and the premiums for our lowest cost health plan. The coverage available to eligible City employees qualifies as “affordable” under the Affordable Care Act. If you are eligible for health coverage through Teamsters Health and Welfare, and purchase a health plan through Covered California instead of accepting our health plan coverage, you may lose our contribution (if any) to your coverage under our health plan. Also, our contribution - as well as your employee contribution - is often excluded from income for Federal and State income tax purposes. Your payments for coverage through Covered California are made on an after-tax basis.

If you have questions, please contact Human Resources at (650) 616-7055 or [hr@sanbruno.ca.gov](mailto:hr@sanbruno.ca.gov).

**New Health Insurance Marketplace Coverage California**  
**Coverage Options and Your Health Coverage**

**Part A: General Information**

When key parts of the health care law take effect in 2014, there will be a new way to buy private individual health insurance: the Health Insurance Marketplace (in California, referred to as Covered California). To assist you as you evaluate options for you and your family, this notice provides some basic information about Covered California and employment-based health coverage available to you through the Teamsters Health and Welfare Trust. Please note that this notice is *informational only*.

**What is “Covered California?”**

Covered California is designed to help you find private individual health insurance that meets your needs and fits your budget. Covered California offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through Covered California begins in October 2013 for coverage starting as early as January 1, 2014.

**Can I save money on my health insurance premiums using Covered California?**

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

**Does the employment-based health coverage that my employer offers to me affect my eligibility for premium savings through Covered California?**

Yes. If you are eligible for health coverage through Teamsters Health and Welfare, the City of San Bruno has offered you health coverage that meets certain standards, and you will not be eligible for a tax credit through Covered California. However, if you are not eligible for health coverage through Teamsters Health and Welfare, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing. If the cost of self-only coverage under our health plan is more than 9.5% of your household income for the year, or if our health plan does not meet the "minimum value"<sup>1</sup> standard set by the Affordable Care Act, you may be eligible for a tax credit.

*Please note: If you are eligible for health coverage through Teamsters Health and Welfare, and purchase a health plan through Covered California instead of accepting our health plan coverage, you may lose our contribution (if any) to your coverage under our health plan. Also, our contribution—as well as your employee contribution—is often excluded from income for Federal and State income tax purposes. Your payments for coverage through Covered California are made on an after-tax basis.*

**How can I get more information about health insurance offered through Covered California?**

Covered California can help you evaluate your coverage options, including your eligibility for coverage through Covered California and its cost. Please visit [www.CoveredCA.com](http://www.CoveredCA.com) for more information, including an online application for health insurance coverage.

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<sup>1</sup> An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

**Part B: Information About Employer-Provided Health Plan Coverage.** If you decide to complete an application for coverage through Covered California, you will be asked for information about our health plan coverage. The information below can help you complete an application for coverage through Covered California.

**1. General Employer Information.**

Employer name:	<b>CITY OF SAN BRUNO</b>
Employer Identification Number (EIN):	<b>94-6000414</b>
Employer street address:	<b>567 El Camino Real</b>
Employer city:	<b>San Bruno</b>
Employer state:	<b>California</b>
Employer ZIP code:	<b>94006</b>
Employer phone number:	<b>(650) 616-7055</b>
Email address:	<b>hr@sanbruno.ca.gov</b>
Who can we contact about employee health coverage at this job?	<b>Human Resources</b>

**2. Eligibility.** You may be asked whether or not you are currently eligible for our health plan coverage or whether you will become eligible for coverage within the next three months. In addition, if you are or will become eligible, you may be required to list the names of your dependents that are eligible for coverage under our health plan. If you would like information about the eligibility requirements for our health plan, please read the eligibility provisions described in the Summary Plan Description for our health plans. You can obtain a copy of Summary Plan Descriptions by contacting **Human Resources** at (650) 616-7055 or [hr@sanbruno.ca.gov](mailto:hr@sanbruno.ca.gov).

**3. Minimum Value.** If you are eligible for coverage under our health plans, you may be required to check a box indicating whether or not our health plans meet the minimum value standard. Our health plan coverage **meets** the minimum value standard.

**4. Premium Cost.** If you are eligible for coverage under our health plan, you may be asked to provide the amount of premiums you must pay for self-only coverage under the lowest-cost health plan that meets the minimum value standard. If you had the opportunity to receive a premium discount for any tobacco cessation program, you must enter the premium you would pay if you received the maximum discount possible for a tobacco cessation program. If you would like information about the premiums for self-only coverage under our lowest-cost health plan, please contact **Human Resources** at (650) 616-7055 or [hr@sanbruno.ca.gov](mailto:hr@sanbruno.ca.gov).

**5. Future Changes.** You may also be asked whether or not we will be making certain changes to our health plan coverage for the new plan year. As usual, you will be provided with information about any changes to our health plan coverage before the next open enrollment period. For more information for the Covered California application please contact Covered California at [www.CoveredCA.com](http://www.CoveredCA.com) or call (888) 975-1142.

# TEAMSTERS LOCAL UNION NO. 856 HEALTH AND WELFARE FUND

1182 MARKET STREET, SUITE 320 • SAN FRANCISCO, CALIFORNIA 94102

P.O. BOX 24513 • OAKLAND, CALIFORNIA 94623

Telephones (415) 777-3707 • (800) 297-4595

September 2013

## Notice to Teamsters Local Union No. 856 Health and Welfare Active Plan Participants

You will receive a Notice from your employer with the heading "New Health Insurance Marketplace Coverage Options and Your Health Coverage". This Notice is required by the Affordable Care Act ("ACA"). It is required to be sent by all employers to their current employees and must be sent by all employers to all new hires in the future.

The Notice provides a brief overview of the ACA and the Health Insurance Marketplaces (formerly referred to as "The Exchanges"). The Notice also mentions that you may be eligible for premium subsidies if you purchase coverage through the Marketplace.

The ACA requires that the Notice be sent by employers because starting in January of 2014, most people will be required to have health insurance. If they do not have health insurance, they will be required to pay a penalty. This is known as the "individual mandate". Your health insurance coverage from the Teamsters Local Union No. 856 Health and Welfare Fund, while eligible, meets all of the requirements in order to avoid any penalty.

When you receive the Notice from your employer, remember that so long as you are an eligible Participant in the Teamsters Local Union No. 856 Health and Welfare Fund, you should not shop for different or additional coverage from the Marketplace. You should also remember that so long as you are eligible under the Teamsters Local Union No. 856 Health and Welfare Fund, you are not eligible for any federal premium subsidies.

It is clear that over the next few months there will be significant talk about the Health Insurance Marketplaces from insurance companies, on the Internet, social media, on television, in newspapers, on the radio and from your friends, neighbors and family. It is important to remember that in spite of all you may hear about the Health Insurance Marketplace, including invitations to consider purchasing Marketplace coverage, the bottom line is that when you are eligible in the Teamsters Local Union No. 856 Health and Welfare Fund, you satisfy the "you-must-have-coverage" requirements of the ACA (the individual mandate).

You are encouraged to contact the Fund Office if you have questions about your benefits through the Teamsters Local Union No. 856 Health and Welfare Fund. You can contact the Fund Office at (415) 777-3707.

Sincerely,

BOARD OF TRUSTEES  
Teamsters Local Union No. 856  
Health and Welfare Fund

**TEAMSTERS LOCAL #856 HEALTH WELFARE FUND  
NON-MAINTENANCE OF BENEFITS (Non-MOB) CONTRACTS (Includes "Capped" MOB Contracts)**

		PLANE E			
BENEFITS AND COVERAGE	BLUE CROSS	NON-BLUE CROSS	KAISER FOUNDATION HEALTH PLAN	UNITEDHEALTHCARE	
<b>HEALTH</b>					
Maximum Life Benefit	\$2,000,000	\$2,000,000	Unlimited	Unlimited	
<b>Annual Deductible:</b>					
Per Individual	\$250	\$250	None	None	
Family maximum	\$500	\$500			
<b>HOSPITAL (Excluding Alcohollic Treatment)</b>					
Daily Room and Board	Semi-private	Semi-private	No charge	No charge	
Maximum	120 days	120 days	Unlimited	Unlimited	
Other Hospital Charges	80%	50%	No charge	No charge	
Ambulance per Trip	80%	50%	No charge within area when authorized by Plan physician	No charge if approved by PMG or IPA	
Emergency Room	80%	50%	\$35 copay; waived if admitted	\$50 copay; waived if admitted	
100% (PPO only) after \$10,000 in covered expenses incurred each calendar year (PPO only)					
<b>INPATIENT MENTAL AND NERVOUS DISORDERS</b>					
All Treatment must go through a Blue Cross Provider					
HOSPITAL AND MEDICAL	80%	0%	No charge (up to 45 days per calendar year)	No charge (up to 30 days per calendar year)	
<b>OUTPATIENT MENTAL AND NERVOUS DISORDERS (Percentages shown below are the percent of the Blue Cross approved amount)</b>					
HOSPITAL AND MEDICAL	70% up to \$70 maximum per visit	30% up to \$30 maximum per visit	\$15 (up to 20 visits per calendar year)	\$30 per visit 20 visits/year	
<b>PHYSICIAN'S SERVICES</b>					
Outpatient and Inpatient Services	80%	60%	\$15 (outpatient)	\$15 (outpatient)	
Surgical	80%	60%	No charge	No charge	
Lab/X-Ray	80%	60%	No charge	No charge	
Home Health and Hospice	80%	60%	\$15	\$15 (Home Health) No charge	
100% after \$10,000 in covered expenses incurred each calendar year (PPO only)					
<b>SPECIAL</b>					
Physical Exams	Not covered		\$15	\$15 if deemed necessary	
Well Baby Care	Not covered		\$5	No Charge	
Conversion Coverage	Not available		Available if requested	Available if requested	