



EMPLOYER IMPACTS

informed  reform

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EMPLOYER IMPACTS



EMPLOYEE NOTICE OF COVERAGE OPTIONS

Also known as the Employee Notice of the Exchange



Temporary Guidance Effective by October 1, 2013

Virtually all employers must notify all employees

- All full- and part-time employees, regardless of health coverage

Must include

- Acknowledgment of employer coverage, or not
- Marketplace consumer assistance information
- Explanation of potential eligibility for premium subsidy – employer plan “affordable” and of “minimum value”
- Marketplace plans purchased with post-tax dollars
- Department of Labor models available

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PLANNING FOR NEW FEES AND TAXES



	Comparative Effectiveness Research Fee	Health Insurance Industry Fee	Reinsurance Assessment
Overview	<ul style="list-style-type: none"> Annual fee on plans beginning on/after 10/2/11 	<ul style="list-style-type: none"> Annual fee on all insured plans 	<ul style="list-style-type: none"> Annual per capita fee on insured and self-insured plans
Effective	<ul style="list-style-type: none"> Plan years beginning on or after 10/2/2011 First payable for many plans 7/31/13 	<p>2014</p> <ul style="list-style-type: none"> First payment due 9/30/14 	<p>2014-2016</p> <ul style="list-style-type: none"> Cigna will make first payment January, 2014
Cost Impact	<ul style="list-style-type: none"> Annual fee of \$1, then \$2 indexed, per participant until 2019 	<ul style="list-style-type: none"> 2 - 2.5% premium in 2014 Increasing to 3 - 4% in future years Tax-deductible for employers as part of premium 	<ul style="list-style-type: none"> \$63 PMPY in 2014 \$40 - \$45 PMPY in 2015 \$25 - \$30 PMPY in 2016 Tax-deductible



WHAT ARE OUR CHOICES?

Employer mandate – delayed until 1/1/2015



Employers with 50+ full-time employees/equivalents

- Offer to at least 95% of full-time employees and their dependent children up to age 26
 - if multiple plans are offered, just one needs to meet the requirements
 - still awaiting guidance on non-calendar year plans



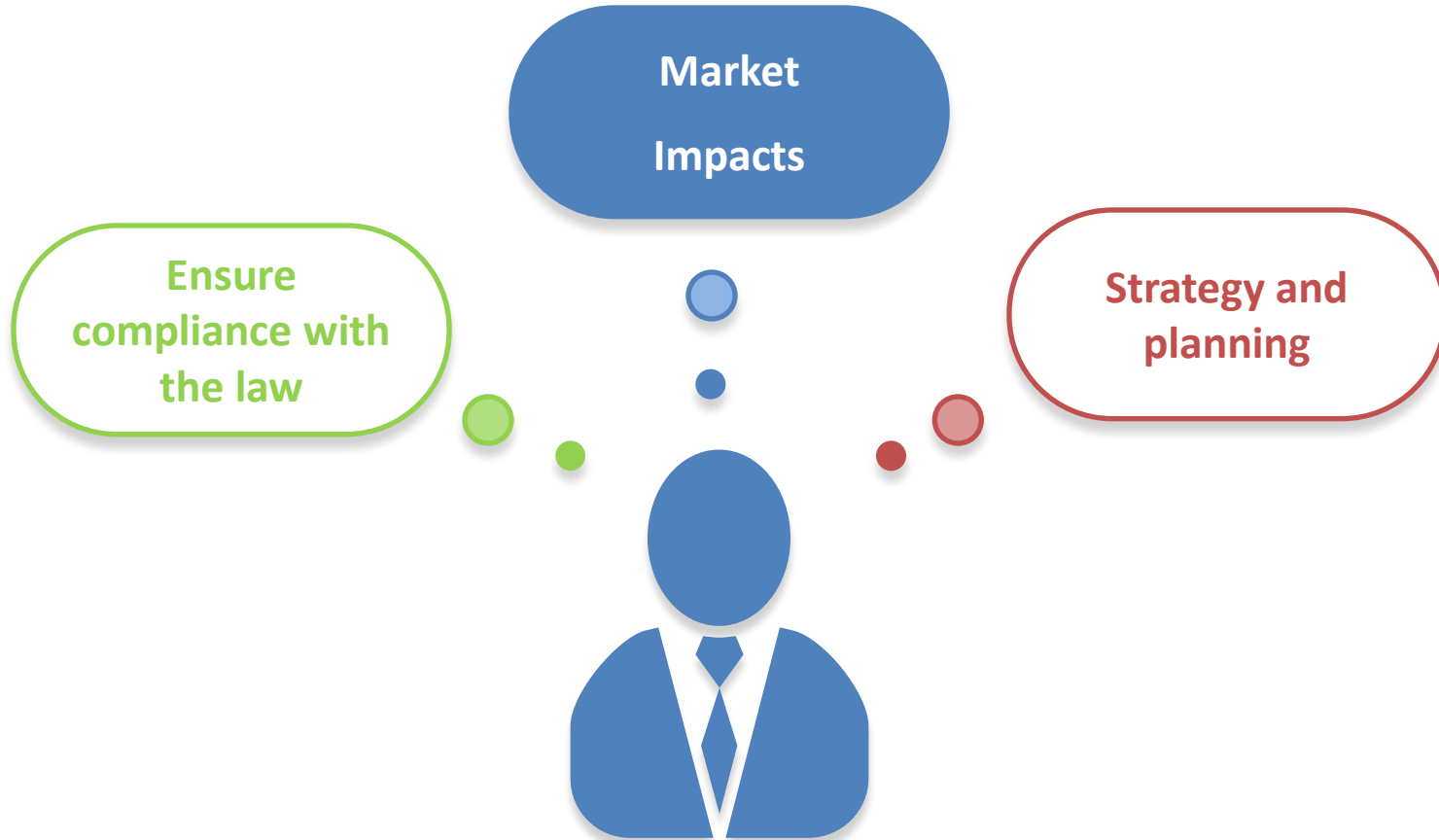
Offer coverage that:

is “**affordable**” (employee contributions are **less than 9.5%** of employee’s wages for individual coverage)

provides “**minimum value**” (if it pays at least **60% of the costs** of covered health services)

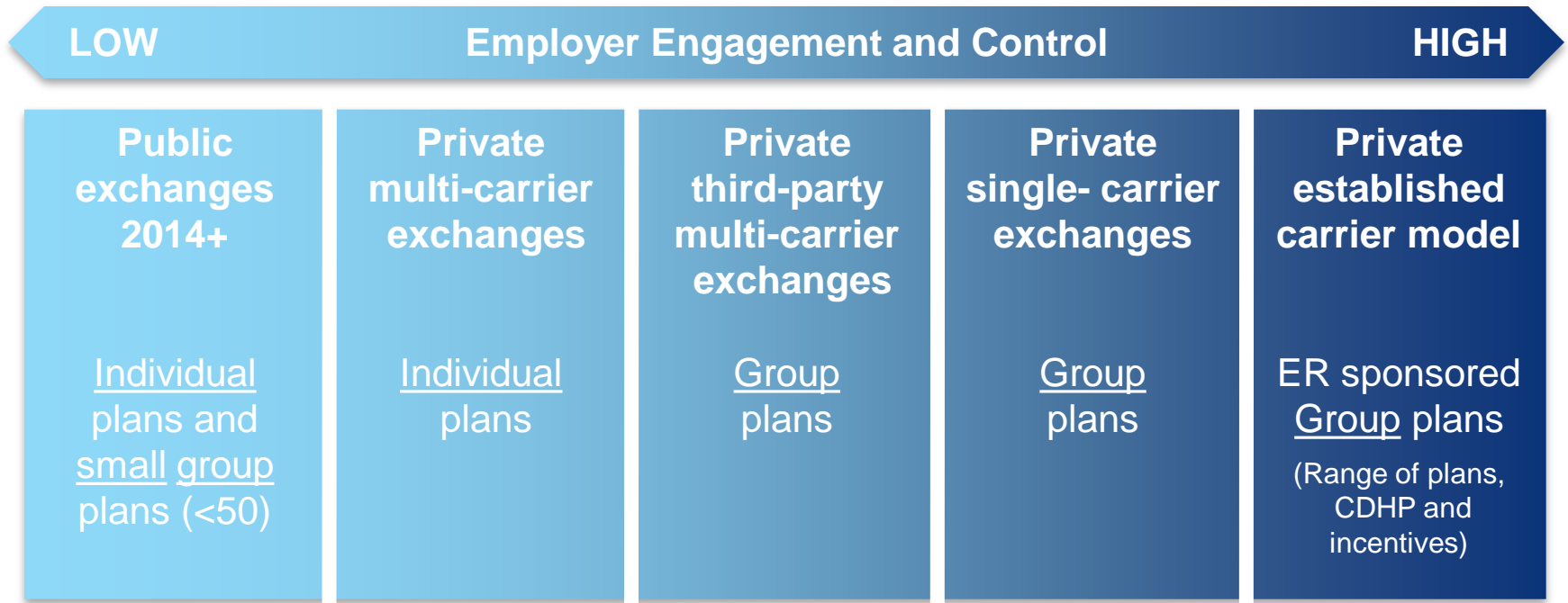


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WHAT ARE YOUR OPTIONS?

Private exchanges and new market models



What goals are driving your benefits strategy?



EXCHANGES – PUBLIC VERSUS PRIVATE

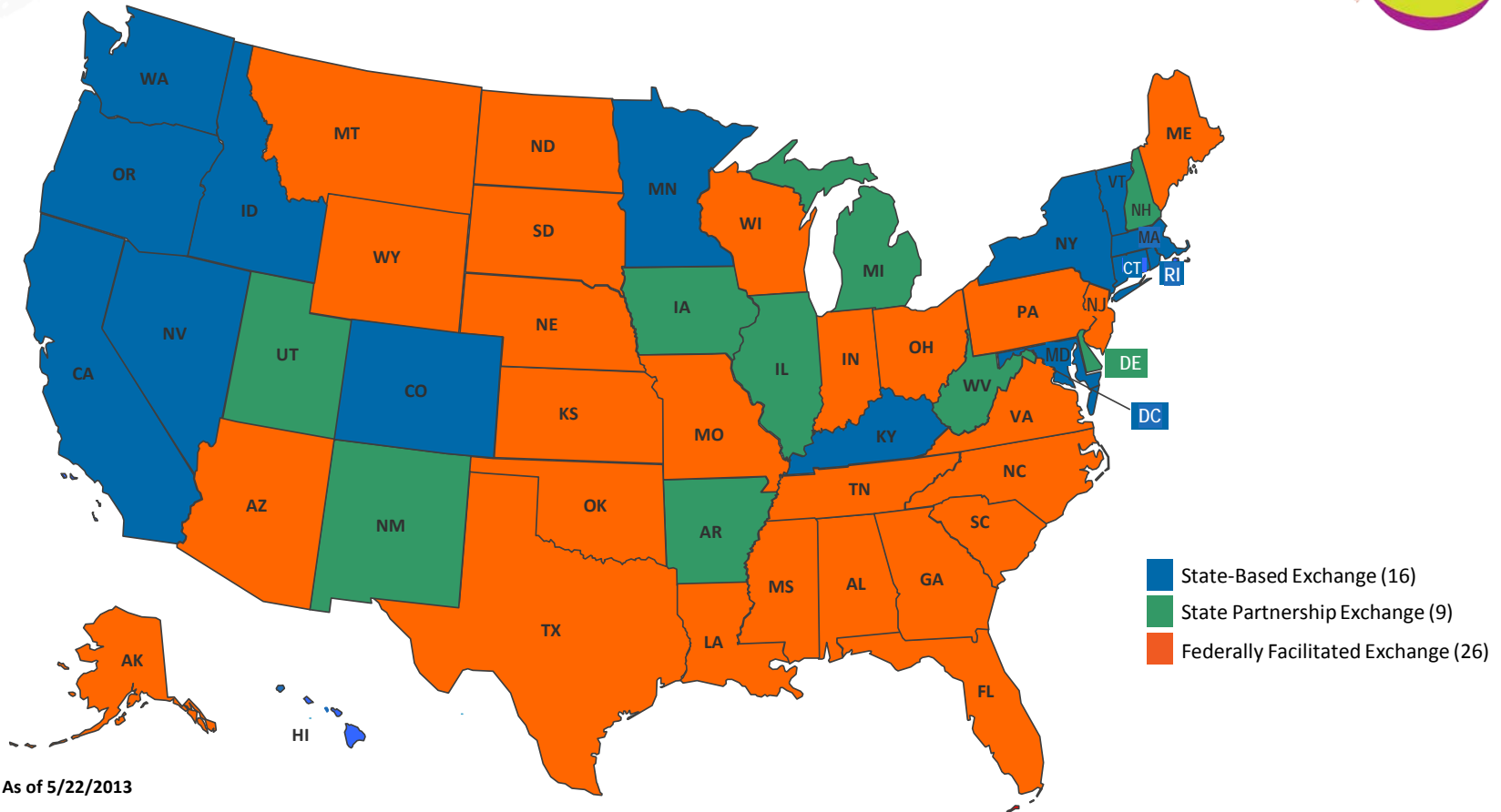


	State Health Benefit Exchanges	Private Exchanges
Oversight	<ul style="list-style-type: none"> Government agency, quasi-governmental agency or not-for-profit 	<ul style="list-style-type: none"> Privately owned and operated
Stated Objective	<ul style="list-style-type: none"> Assist individuals, families and small employers to purchase health insurance Provide assistance to those who qualify for enrollment in state Medicaid programs 	<ul style="list-style-type: none"> Offer services to the various individuals and groups in the purchase of healthcare coverage Defined contribution
Subsidy Availability	<ul style="list-style-type: none"> Yes, for those individuals and families between 100-400% of FPL 	<ul style="list-style-type: none"> No
Eligibility	<ul style="list-style-type: none"> Intended for individuals and small employers looking to purchase healthcare coverage 	<ul style="list-style-type: none"> Employers choosing to participate and their eligible employees
Rate Negotiation	<ul style="list-style-type: none"> Focus is on individual and small employer and rating regulations are very strict in these lines of business 	<ul style="list-style-type: none"> Negotiated with private exchange
Employer Size	<ul style="list-style-type: none"> Small employers as defined by state, are 1-50 until 2016 when all states go to 100 	<ul style="list-style-type: none"> Any size employer Aon Hewitt Exchange targeting larger employers
Example	<ul style="list-style-type: none"> Massachusetts and Utah 	<ul style="list-style-type: none"> Bloom Health and Aon Hewitt (1/1/13) Over 100 private exchanges exist today in small group



MARKETPLACE TYPE BY STATE

Forecast for 2014



As of 5/22/2013

Disclaimer: These types of operations are based on the most recent intentions identified by the states.

Notes: KS, ME, MT, NE, OH, SD and VA have received approval from HHS to conduct plan management activities for the federally facilitated exchanges in their states. These exchanges will be similar to the state partnership exchanges.

UT and NM received approval from HHS to run their own state-based SHOP exchange, but defer to a federally facilitated individual exchange.



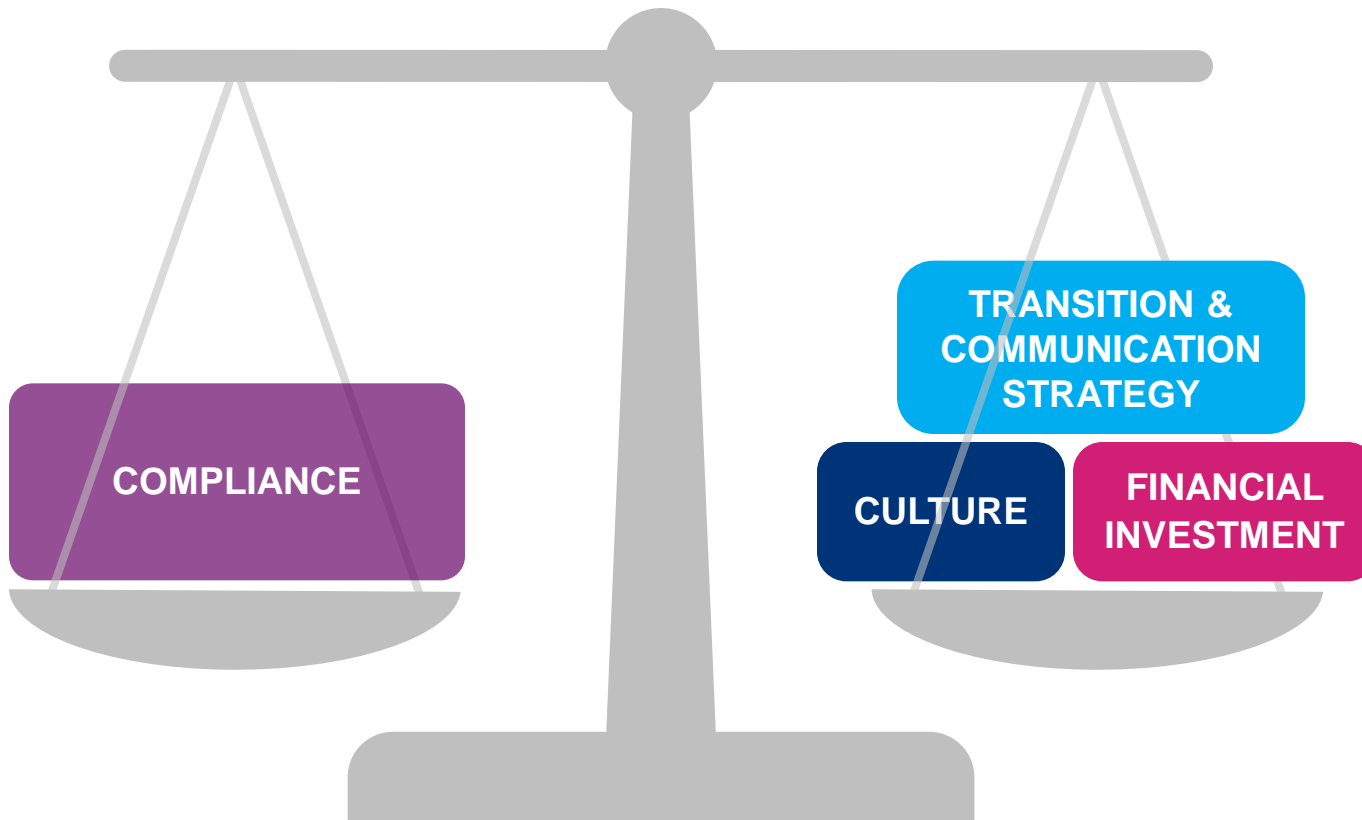
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What's on their minds?



BALANCING COMPLIANCE AND OTHER CHOICES

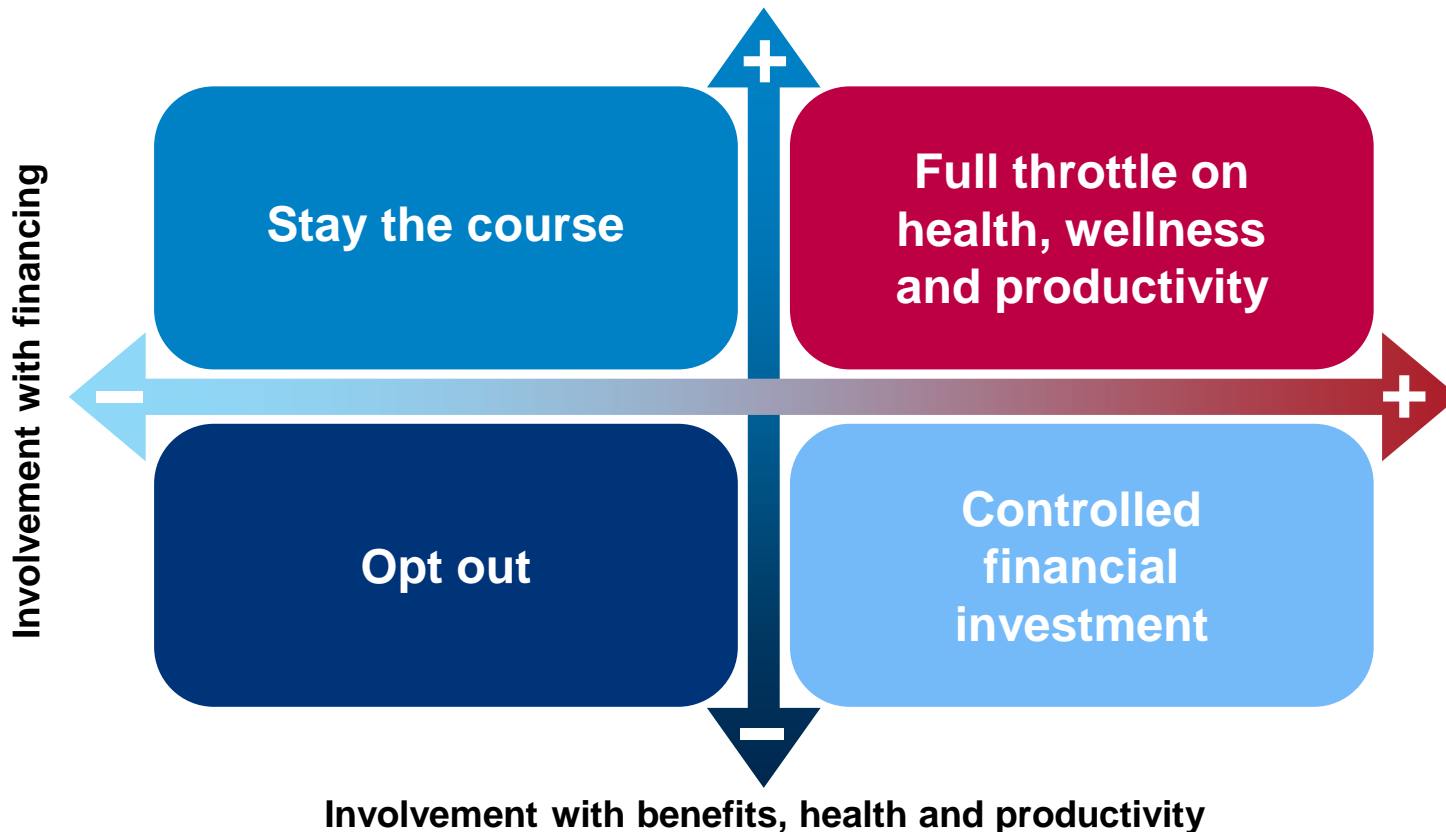
What are the impacts of various options?



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HOW DO YOU MAKE YOUR CHOICES?

Decisions driven by what's most important to you



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WHAT ARE YOUR CHOICES?

Consider your financial and cultural investments



COST IMPLICATIONS

employer plan vs. marketplace plan

- For Employers
- For Employees

BENEFIT PLANNING

sponsorship or not

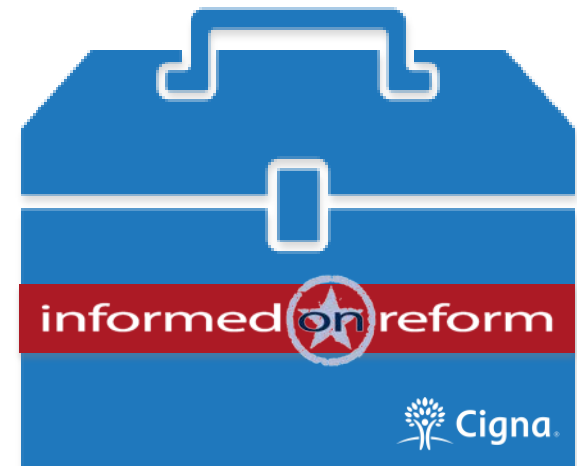
- Recruiting & talent retention
- Health & productivity
- HR aptitude & transition planning

COMMUNICATION RESOURCES



Online toolkits to help you understand the rules and support communication needs:

- ✓ [Comparative Effectiveness Research Fee \(CERF\) Toolkit](#)
 - ✓ [Summary of Benefits and Coverage Toolkit](#)
 - ✓ [Health Insurance Industry Fee Toolkit](#)
 - ✓ [Reinsurance Assessment Toolkit](#)
 - ✓ [Employee Communications Toolkit](#)
- Try our customer-facing tool,
- ✓ [Health Care Reform for YOU](#)



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RESOURCES AND YOUR QUESTIONS



Visit our award-winning website, InformedOnReform.com

- News Alerts
- Fact sheets
- Timeline
- Tools
- Web meeting series

The screenshot shows the InformedOnReform.com website. On the left is a navigation menu with links: Employer Mandate, Essential Health Benefits, Exchanges, FAQs, Fees and Taxes, Grandfathered Status, Individual Mandate, Medical Loss Ratio, News, Preventive Services, Reform Today Column, Summary of Benefits & Cov, Timeline, Tools, Vision/Approach, and Web Meetings. Below the menu is a section for 'ALREADY A CUSTOMER?' with links to 'Log in to myCigna' and 'Register now for online access'. The main content area features the 'informed on reform' logo at the top. Below it is a large article titled 'Confused by Health Care Reform?' with a sub-headline 'HEALTH CARE REFORM FOR YOU'. The article text states: 'Health care reform changes will touch everyone, but how they affect YOU depends on your unique circumstances. Tell us a little about yourself, and we'll help you understand what the changes may mean to you.' Below the article is a 'Did you know?' section with a magnifying glass icon, stating: 'Exceptions to the 2014 Individual Mandate include those not lawfully present in the U.S., taxpayers with incomes under 100% of the poverty level, who qualify for Medicaid, or anyone who cannot afford coverage (premiums would be more than 9.5% of income).' To the right of the main article is a 'Reform News' sidebar with a 'BREAKING NEWS' banner. It lists: 'IRS Issues Final Rule on the Individual Mandate', 'Final Contraceptive Regulations for Religious Organizations Issued', 'Employer Responsibility and Information Reporting Requirements Delayed Until 2015', and 'HHS and IRS Issue Final Rule and Notices on Individual Mandate-Related Topics'. At the bottom of the sidebar is a 'More News' link. Below the main article is a section titled 'Health Care Reform Today' with a sub-headline 'Some Points Worth Noting About The New Health Insurance Marketplaces'. It includes a photo of Ray Smithberger, General Manager, Individual and Family Plans, dated July 31, 2013. The text reads: 'The final leg of the race is here as we approach the October 1st launch of the new Health Insurance Marketplaces...'. To the right of this section is a 'Questions about Reform?' link with the text: 'Read answers to frequently asked questions about health care reform.'



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