CITY OF GAUTIER
MEMORANDUM

To: Samantha Abell, City Manager

From: Jason Pugh, Human Resources Director

Date: 12/08/14

Subject: Amendment to the City of Gautier Self Funded Health Insurance Plan

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REQUEST

The Human Resources Department requests formal approval of Amendment No. 12 to the City of Gautier Health Insurance Plan.

BACKGROUND:

The Affordable Care Act has placed new guidelines on employers concerning healthcare. Under the new healthcare laws, a large employer (50 or more employees) is required to offer medical insurance coverage to all full-time employees. The law establishes that for the purposes of healthcare an employee that works at least 30 hours per week is considered a full-time employee and must be offered medical insurance.

DISCUSSION:

This Amendment is required by law and establishes the hours worked to determine full-time status. Council approval is a formality as this amendment is required as a part of the City of Gautier Self Funded Health Insurance Plan. The city is currently in compliance with this law.

RECOMMENDATION:

The Human Resources Department recommends formal council approval of Amendment No. 12 to the City of Gautier Self Funded Health Insurance Plan defining full-time employee status for the purposes of healthcare.

ATTACHMENT(S):

Amendment No. 12

AMENDMENT NO. 12

TO THE
Plan Document and Summary Plan Description for
City of Gautier Employee Health Benefit Plan
Date of Adoption - October 1, 2004

Effective October 1, 2014

City of Gautier believes the City of Gautier Employee Health Benefit Plan (the "Plan") is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

The Plan Document which also serves as a Summary Plan Description is hereby amended to incorporate the following changes:

1. **Effective October 1, 2014, the following section under Eligibility Requirements for Employee Coverage, Section (1), is amended as follows**:
    - Is a Full-Time, Active Employee of the Employer. An Employee is considered to be Full-Time if he or she normally works at least 30 hours per week and is on the regular payroll of the Employer for that work.

IN WITNESS WHEREOF, this Amendment has been executed this _____ day of _____, 2014.

BY: _____
Signature

_____
Name/Title:

_____
Diane L. Moore
Fox-Everett, A Division of HUB International