

# Healthcare Reform Update

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## Affordable Care Act Countdown: New Guidance for Individual Health Insurance

Provided by GCG Financial, Inc.

**Those without individual health insurance only have 18 days to purchase coverage. Only qualifying events will allow individuals to purchase insurance after the March 31st deadline.**

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### Qualifying Events

*Can individuals apply for coverage after Mar. 31, 2014? Only those individuals that experience a qualifying event can sign up for a Qualified Health Plan (QHP) mid-year after March 31st.*

Most qualifying events will create a special enrollment period that lasts for 60 days. The next annual enrollment period will occur between Nov. 15, 2014 and Feb. 15, 2015. During this time period anyone can sign up for an individual health plan including those people that haven't experienced a qualifying event.

The following list outlines the qualifying events that have been identified by the ACA

1. Involuntary loss of minimum essential coverage, for example, because of a job loss (voluntarily terminating coverage or policies that are canceled for non-premium payment are not qualifying events)
2. Change of family structure (i.e. marriage, divorce, death, newborn)
3. Gaining citizenship or permanent resident status
4. Becoming newly eligible for a premium or cost sharing subsidy (generally results from mid-year income changes)
5. Becoming ineligible for a premium or cost sharing subsidy (generally results from mid-year income changes)
6. Change of residential address that results in new health plan options available
7. Did not enroll during the open enrollment period because of a mistake, misrepresentation or inaction of an officer, employee or agent of the Health Insurance Marketplace
8. The insurance company substantially violated a material provision of its health insurance contract
9. The individual is a member of an American Indian Tribe (can enroll or make a plan change one time per month)
10. The individual can demonstrate to the Health Insurance Marketplace that he/she has other extenuating circumstances that qualify him/her for special enrollment

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We have prepared a list of frequently asked questions regarding ACA qualifying events, including:

### [My short-term policy ends after Mar. 31, 2014, can I apply for an ACA plan?](#)

Short-term Medical plans (STM plans) do not provide minimum essential coverage as defined by the Affordable Care Act (ACA). As a result, loss of coverage under a STM plan would not be a qualifying event in and of itself.

Anyone in this type of situation would have to wait until the next annual enrollment period to sign up for a QHP. These individuals may want to consider enrolling in another STM plan until that time.

### [My company will stop offering group insurance this summer; can I apply for an ACA plan?](#)

Individuals that experience an involuntary loss of minimum essential coverage are eligible for a 60 day special enrollment period to sign up for an individual health plan.

Most employer-sponsored health plans provide minimum essential coverage, but the employee should reference the exchange notification that the employer was required to provide to them by Oct. 1, 2013. This notice will inform the employee if the employer-sponsored health plan provided minimum essential coverage.

### [I bought a plan and want to switch to another carrier, can I do that? I bought a plan, and I don't like the plan, will the carrier let me switch plans?](#)

After Mar. 31, 2014, plan changes can only occur mid-year if an individual experiences a qualifying event. They will have to wait until the next annual enrollment period to make a plan change absent a qualifying event.

The individual has the option to cancel coverage at anytime, but if they are uninsured for three or more consecutive months they may be subject to financial penalties.

### [I bought a plan but it was too expensive so I cancelled it, can I get back on it after Mar. 31, 2014?](#)

In the majority of situations, this will not be considered a qualifying event to sign up for an individual health plan mid-year. However, if the individual can demonstrate to the Health Insurance Marketplace that they incurred extenuating circumstances, then they may be granted special enrollment rights.

If they are not granted special enrollment rights they may want to look into filing for a financial hardship exemption from the Individual Mandate to avoid penalties.

### [I lost my job, can I see if I qualify for a subsidy?](#)

Some individuals may experience circumstances where they become newly eligible for premium and cost sharing subsidies during the middle of the year. This creates a qualifying event that would allow the individual to sign up for coverage through an Exchange and receive access to the subsidies.

Someone that loses their job may be in a situation where they become newly eligible for subsidies because of a change in their income and/or because they lose access to an affordable employer-sponsored health plan.

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### New ACA Guidance

The Obama administration released several new Affordable Care Act (ACA) guidelines on March 5, 2014. Of particular note, any individual or small group with a non-ACA compliant plan will be able to keep that plan in place for additional time.

The guidance states that this transitional rule applies for plan years on or before Oct. 1, 2016. This means non-ACA compliant plans can be kept in force as late as October of 2017 (depending on the renewal date). It should be noted that this extension also has to be approved at the state level, and this is optional for insurance companies to implement. We will need to wait for additional guidance on this matter from the state of Illinois and the insurance carriers.

In addition, the new guidelines have extended the next annual enrollment period for individual health plans by one month. The next annual enrollment period will now occur from Nov. 15, 2014 to Feb. 15, 2015. During this time period anyone can sign up for an individual health plan or make changes to their existing coverage without a qualifying event.

The new guidance also provides the 2015 limits for ACA compliant plans. The breakdown is listed below:

- Small group deductible limits: \$2,050 individual / \$4,100 family
- Out-of-pocket limits for all market segments: \$6,600 individual / \$13,200 family

The annualized reinsurance fee for 2015 has also been set at \$44 per member. These fees are paid by health insurance issuers and certain self-insured group plans.

The U.S. Department of Health and Human Services (HHS) has published a [fact sheet](#) with details on all of the new regulations.



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