NAVIGATING HEALTHCARE REFORM

November 15, 2013

ACA In The News: Eligiblity & Qualifying Events

In 2014, individuals will have additional opportunities to elect medical coverage for themselves and their dependents. These options include an employer's group plan, an individual plan, a government plan (i.e. Medicare, Medicaid), or coverage through The Marketplace. While more options are available, each of these coverages has an eligibility window to enroll. If you miss your opportunity, coverage may not be available until the next enrollment window and you may be faced with having to pay the Individual Mandate penalty.

	The Marketplace | Exchange	Group Plan (through Employer)	Individual Plan
Eligibility	All individuals who meet basic eligibility criteria may enroll in a plan through the Exchange of the state where they reside. An individual will be eligible for enrollment in a "qualified health plan" (QHP) through an Exchange if s/he*: ▪ Is a citizen, national or non-citizen lawfully present in the United States, and is reasonably expected to remain so for the entire period for which enrollment is sought; ▪ Is not incarcerated; and ▪ Resides in the state covered by the Exchange.	Varies by employer. Typically employees must be full time and have satisfied their waiting period to be eligible for coverage. If an employee elects coverage for themselves, they often have the opportunity to purchase coverage for their qualified dependents.	Eligibility for individual plans varies by carrier. Generally, to be eligible the individual: ▪ Is a citizen, national or non-citizen lawfully present in the United States, and is reasonably expected to remain so for the entire period for which enrollment is sought; and ▪ Is not incarcerated.
Enrollment Opportunities	The Marketplace may only permit a qualified individual to enroll in a QHP or an enrollee to change QHPs during the Initial Open Enrollment Period, the Annual Open Enrollment Period, or a Special Enrollment Period. ▪ ***Initial Open Enrollment*** - Enrollment began October 1, 2013 and extends through March 31, 2014. ▪ ***Annual Open Enrollment Period*** - For the 2015 benefit period and beyond, the Annual Open Enrollment Period begins October 15 and extends through December 7 of the preceding calendar year. ▪ ***Special Enrollment Period*** – If an individual has a qualifying event, they can enroll in the Marketplace within 60 days of the event.	Most employer plans are effective for 12 months. The 12 month period starts either on a calendar year or a fiscal year: Calendar year – start on January 1st. Fiscal year – Any 12 month period starting February through December	Similar to the Marketplace, individuals can only enroll in a QHP during the Initial Open Enrollment Period, the Annual Open Enrollment Period, or a Special Enrollment Period ▪ ***Initial Open Enrollment*** - Enrollment began October 1, 2013 and extends through March 31, 2014. ▪ ***Annual Open Enrollment Period*** - For the 2015 benefit period and beyond, the Annual Open Enrollment Period begins October 15 and extends through December 7 of the preceding calendar year. ▪ ***Special Enrollment Period*** – If an individual has a qualifying event, they can enroll in the Marketplace within 60 days of the event.

**If you enroll in the Marketplace, and are eligible for other government plans such as Medicare or Medicaid, you will be notified and your application will be transferred to the appropriate party.*

	The Marketplace | Exchange	Group Plan (through Employer)	Individual Plan
Qualifying Events	In the Marketplace the following events would qualify as for a Special Enrollment Period: ▪ Loss of minimum essential coverage (including loss of group plan) ▪ Gaining or becoming a dependent ▪ Gaining lawful presence ▪ Enrollment errors of the Marketplace ▪ Material contract violations by Qualified Health Plans (QHP) ▪ Gaining or losing eligibility for premium tax credits or cost sharing reductions ▪ Relocation resulting in new or different QHP selections	Most employers offer health plans to employees through salary reduction under a section 125 cafeteria plan. Generally, cafeteria plan elections must be made before the start of the plan year and are irrevocable during the plan year except for a narrow set of circumstances, such as a qualifying event. Qualifying events can include: ▪ Marriage / Divorce ▪ Birth / Adoption ▪ Spouse obtaining / losing group coverage ▪ Death of spouse / dependent ▪ Obtaining / losing Medicare / Medicaid or Child Health Insurance Program (CHIP) ▪ Obtaining / losing eligibility for a State Employer—Plan Premium Assistance Program **In near all cases, electing coverage through the Marketplace or an individual plan is NOT a qualifying event to drop your group plan.**	For Individual plans, the following events would qualify as for a Special Enrollment Period: ▪ An individual and any dependents lost minimum essential health coverage ▪ Gained or became a dependent through marriage, birth, adoption, or placement for adoption ▪ Experienced an error in enrollment ▪ Adequately demonstrated that the plan or issuer substantially violated a material provision of the contract in which s/he is enrolled ▪ Became newly eligible or ineligible for advance payments of the premium tax credit or is experiencing a change in eligibility for cost-sharing reductions ▪ Enrollee made a permanent move and new coverage is available.
Financial Benefits	Only Marketplace plans offer lower costs based on income. An individual's income level determines eligibility for subsidies (tax credits). **Premium responsibility is NOT tax-deferred.**	The individual is not responsible for the entire premium because a portion is subsidized by employer. In addition, if the employer utilizes a Section 125, **the individual's premium responsibility is tax-deferred.**	Individuals are responsible for 100% of the premium. **Premium responsibility is NOT tax-deferred.**

The Individual Mandate requires most people to have "Minimum Essential Coverage" health insurance. Beginning in 2014, most individuals must either have health insurance that meets these standards or pay a penalty when filing their tax returns. The penalty will be the greater of a flat dollar amount per individual or a percentage of the individual's taxable income, and increases over the next three years. People who choose to pay the tax penalty instead of signing up for health coverage will still be responsible for 100% of their medical costs.