



HEALTH
CARE
REFORM
UPDATE

To quote, compare or enroll in individual health insurance go to www.3000ig.com.



INDIVIDUAL RULES & PROCEDURES: The 2016 Open Enrollment period ends January 31st, 2016

Open Enrollment Period - As a result of individual health plans now being guaranteed issue, applications for coverage or plan changes are now subject to an annual open enrollment period. This is to avoid adverse selection, which would occur if people were allowed to just purchase coverage during periods of time when they knew they were going to need it.

The 2016 Open Enrollment period is November 1, 2015 through January 31, 2016

- You need to be aware and plan accordingly for when you want your coverage to begin. If you submit an application between the 1st and 15th of the month, your coverage will be effective the first of the following month. If you submit your application between the 16th and the last day of the month, in most cases, your coverage will be effective the 1st day of the second following month. For instance, a member who enrolls January 16th will not have coverage until March 1st.
- **Must enroll by December 15, 2015 for a January 1, 2016 effective date.**
- The Open Enrollment period is November 1, 2015 - January 31, 2016.
- Coverage can only be purchased outside of the Open Enrollment period if you have a Qualifying Life Event.

Medicaid and CHIP - You can enroll in Medicaid or the Children's Health Insurance Program (CHIP aka SoonerCare) at any time as there is no open enrollment period for these programs.

FREQUENTLY ASKED QUESTIONS

What is an exchange?

An exchange, also referred to as a marketplace, is a portal through which individuals can purchase insurance. There are private exchanges, state exchanges and a federal exchange. Oklahoma does not have a state exchange.

What penalty applies for an individual who does not comply with the Individual Mandate?

In 2015, the penalty is \$325 per adult and \$162.50 per child under age 18 or 2% of income, whichever is greater; and in 2016, the penalty increases to \$695 per adult and \$347.50 per child, or 2.5% of income, subject to a maximum equal to the national average premium for a bronze plan, whichever is greater.

Does my employer have to offer health insurance coverage to me?

At this time, there is no coverage mandate for small employers with fewer than 50 full-time equivalent employees (FTEs). Employers with 50-99 FTEs will be required to provide coverage beginning January 1, 2016. Employers with 100 or more FTEs must offer coverage beginning January 1, 2015.

How do I know if I am eligible for a premium subsidy, and how much my premium subsidy would be?

You may qualify for a premium subsidy if your household income falls between 100%-400% of the Federal Poverty Level, and your employer does not provide affordable coverage that includes minimum essential health benefits, and you are not eligible for Medicare or Medicaid. Here is a link to a calculator to help with determining eligibility <http://kff.org/interactive/subsidy-calculator/>

How do I obtain the premium subsidy?

If you qualify for a subsidy, you must purchase coverage from the Federally Facilitated Marketplace (FFM) at healthcare.gov in order to receive the premium subsidy. Depending on information you provide and options you choose when enrolling in a qualifying health plan on the FFE, it will be in the form of an Advanced Premium Payment paid directly to your insurance company, or a tax credit applied when you file your Tax Return. An agent can assist you with your marketplace enrollment.

What is considered Affordable Coverage?

Employer coverage is considered affordable if the employee's share of the annual premium for self-only coverage is no greater than 9.5% of annual household income.

Do I have to register with or purchase coverage through healthcare.gov?

If you are not seeking a premium or cost-sharing subsidy, then there is no need to register with or purchase insurance through healthcare.gov. Whether you purchase your next plan on or off the exchange, we can help you.

continued on back



Can I keep and make contributions to my Health Savings Account (HSA) in 2016.

Yes, you may keep your HSA because there will be ACA-compliant HSA qualifying health plans available in 2016.

2016 HSA Contribution Limits:

- Annual contribution for self-only coverage under a high deductible health plan is \$3,350.
- Annual contribution for an individual with family coverage under a high deductible health plan is \$6,750.
- Catch-up contributions of up to \$1,000 can be made for account holders age 55 or older.

* Don't see your question/concern here? Please call or email us with your questions - (405)521-1600, info@3000ig.com

ACA RESULTS

The following are results of ACA and became effective between 2010 and 2014

- Dependents can be covered up to age 26 on their parents' health plan.
- No annual or lifetime limits on essential benefits.
- Preventive care covered 100% in-network.
- Insurer Fee, Transitional Reinsurance Fee, Risk Adjustment Fee: payable by insurance companies.
- Individual mandate: individuals must purchase a Minimum Essential Coverage (MEC) plan, enroll in Medicaid, enroll in Medicare, or enroll in an employer plan, or face a fee/penalty. There are exceptions for individuals.
- Community Rating for individuals and groups 1-99 : Rates no longer based on gender, health history or claims. Rates are based on geographic location, age and tobacco use. Age factors are subject to a 1:3 maximum premium ratio, with 3 age bands: under 21, 21-63, and 64+
- Minimum Loss Ratio (MLR): carrier requirement to spend 80-85% of premium dollars on healthcare.
- Premium and cost-sharing subsidies available to eligible individuals who enroll in an on-marketplace plan.
- Expanded Medicaid eligibility in some states [Note: Oklahoma and many other states have not expanded Medicaid at this time – current income guidelines for OK Medicaid can be found at: <http://www.okhca.org/individuals.aspx?id=10328>].
- Plans must include coverage for 10 Essential Health Benefits
- Small Business Health Care Tax Credit for employers with fewer than 25 full-time equivalent employees making on average \$50,000 or less a year.
- Employer Requirements (all employers) to provide a written notice regarding availability on Health Benefit Exchanges, to all part-time and full-time employees, regardless of whether or not they offer an employer-sponsored group health plan. More information and copies of the Model Notices are available at <http://www.dol.gov/ebsa/faqs/faq-noticeofcoverageoptions.html>

HEALTH COVERAGE EXEMPTIONS

- The lowest-priced coverage available to you costs more than 8.13% of your household income
- Your income is below the threshold for filing a tax return
- You were uninsured for less than 3 consecutive months of the year
- You would qualify for Medicaid if your state had expanded
- You're a member of a federally recognized tribe or eligible for Indian Health Services
- You're a member of a recognized health care sharing ministry or religious sect with religious objections to insurance
- You're serving a term in prison or jail
- You're living abroad, a certain type of non-citizen, or not lawfully present
- You experienced one of the hardships below.

Hardships: Homeless, Evicted in the past 6 months or facing eviction or foreclosure; Received shut-off notice from a utility company, Recently experienced domestic violence; Recently experienced the death of a close family member; Experienced a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property; Filed bankruptcy in the last 6 months; Medical expenses you couldn't pay in the last 24 months that resulted in substantial debt; Experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member; Result of an eligibility appeals decision deemed you eligible for a Qualified Health Plan (QHP), lower cost or cost-sharing reductions for a time period you weren't enrolled in a QHP through the Marketplace; Determined ineligible for Medicaid because your state didn't expand eligibility for Medicaid under the ACA; Individual insurance plan as cancelled and you believe other Marketplace plans are unaffordable; Experienced another hardship obtaining health insurance.

Note: This information is not intended to provide legal or tax advice. Please consult a CPA and/or attorney for matters concerning tax planning and employment-related practices. Oct 2015



A collaboration of Alexander & Strunk, Inc. and Beale Professional Services

3000 NW 149TH Street, Oklahoma City, OK 73134 | 405.521.1600 | 3000ig.com

