

# Tips for Assisting Young Adults Enrolling in the Marketplace Outside Open Enrollment

May 5, 2014

Young adults who are graduating from college, starting a new job or moving out on their own have a lot on their minds. Many young adults may be losing their health insurance coverage when making these transitions in life. As assisters, you can make sure that young adults, including students<sup>i</sup>, know that health insurance coverage should be on the top of the list. You can help them start off with peace of mind—and health insurance.

The open enrollment period for private individual health insurance in the Marketplace is now closed. However, losing access to health insurance that meets minimum essential coverage (MEC) requirements<sup>ii</sup> triggers a special enrollment period (SEP)<sup>iii</sup> that allows someone to enroll outside of the open enrollment period. Consumers who qualify for Medicaid coverage may also enroll at any time of the year with no need for an SEP.

- Young adults who graduate or otherwise leave college and lose MEC, which may include student health coverage<sup>iv</sup>, have options. They may qualify for a special enrollment period to obtain a Marketplace plan outside of the regular open enrollment period. Be sure to tell young adults who have student health coverage to check their policy to determine when coverage ends after graduation. In some cases, they may stay enrolled in the current insurance throughout the summer, in which case they would qualify for an SEP when that coverage ends.
- Young adults who age off of their parents' coverage when they turn 26 will also be eligible for a SEP. Be sure to tell young adults to check with their insurer to determine when coverage ends upon turning 26.

Don't forget to remind consumers, including young adults, that if they don't have health insurance and don't have an exemption, they may have to pay a penalty.

## Options for Coverage

There are many coverage options for young adults:

### Marketplace qualified health plan

Qualified health plans (QHPs) are available for purchase through the Marketplace.

Every QHP offers essential health benefits such as preventive services, prescription drugs and emergency services.<sup>v</sup> Tax credits and cost sharing reductions may be available depending on household income and family size.<sup>vi</sup>



Health Insurance Marketplace

### Catastrophic health plans

If a consumer is under 30, he or she can buy a catastrophic health plan.<sup>vii</sup> These plans usually have lower monthly premiums but higher deductibles. This means the consumer pays for most care up to a certain amount.

After that, the insurance company is responsible for covered services.

Catastrophic plans are an affordable way to protect young adults from the high costs of worst-case scenarios, like an accident or serious illness. Catastrophic plans also cover 3 primary care visits per year before a consumer meets the deductible, as well as certain preventive care benefits. Consumers should be advised, however, that they cannot use tax credits and cost sharing reductions for catastrophic plans.

### Coverage on a parent's plan

Young adult consumers may be able to be covered under a parent's health insurance plan until turning 26.<sup>viii</sup> Under the Affordable Care Act, if an insurer offers dependent coverage, the insurer is required to cover young adults until the age of 26. Some insurers cover young adults until the end of the month of their 26<sup>th</sup> birthday; other insurers extend coverage for the remainder of the plan year. Consumers should confirm the length of coverage directly with their insurer. A young adult consumer who loses minimum essential coverage for "aging out" will be eligible for an SEP.

### Medicaid coverage

A young adult may qualify for Medicaid coverage, a combined state and federal program that provides health coverage to people with limited income. Young adults may find out if they are eligible for Medicaid by completing an online Marketplace application and reviewing the eligibility determination notice<sup>ix</sup>; graduates may also apply directly to their state Medicaid agency. Many states are expanding Medicaid to cover all adults below 133% of the Federal Poverty Level. You can help consumers find out whether their state has expanded Medicaid and what the options are.

## Applying for Coverage

Consumers may apply for Marketplace coverage online at HealthCare.gov or by calling the Call Center at 1-800-318-2596. When filling out the Marketplace eligibility application, a consumer should choose "No" when answering whether he or she currently has health coverage. The consumer should choose "No" even if he or she has a student health plan now, but that student health plan coverage is ending in the near future. Marketplace open enrollment ended March 31. Consumers can still buy a Marketplace health plan **only** if they qualify for a special enrollment period. Consumers can apply for Medicaid and CHIP any time. Open Enrollment for 2015 coverage starts November 15, 2014.

Young adults may have problems with ID proofing due to limited credit history and because they move often. Please see the following document for assisting consumers with ID proofing:

<http://marketplace.cms.gov/help-us/application-eligibility-and-enrollment-faqs.pdf>

## Reporting Life Changes

A new job, a move to another state, a marriage, and other milestones... For young adults, changes may come fast and furious. Be sure to remind consumers that once they have Marketplace coverage, they must report certain life changes. This information may change the coverage or savings they are eligible for. More information on life changes is available at: <http://marketplace.cms.gov/help-us/cic-for-assisters-v2.pdf>

Life changes to report:

- Get married or divorced
- Have a child, adopt a child, or place a child for adoption
- Have a change in income
- Get health coverage through a job or a program like Medicare or Medicaid
- Change place of residence
- Have a change in disability status
- Gain or lose a dependent
- Become pregnant
- Experience other changes that may affect household income and family size
- Other changes to report: change in tax filing status; change of citizenship or immigration status; incarceration or release from incarceration; change in status as an American Indian/Alaska Native or tribal status; correction to name, date of birth, or Social Security number.

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<sup>i</sup> <http://marketplace.cms.gov/getofficialresources/publications-and-articles/what-do-i-need-to-know.pdf>.

<sup>ii</sup> 45 C.F.R. § 156.600; I.R.C. § 5000A(f). *See also:* <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/minimum-essential-coverage.html>.

<sup>iii</sup> 45 C.F.R. § 155.420. *See also:* <http://www.cms.gov/cciio/resources/Regulations-and-Guidance/index.html>.

<sup>iv</sup> 45 C.F.R. § 147.145. *See also:* <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Student-Health-Plans.html>.

<sup>v</sup> 45 C.F.R. § 147.150. *See also:* <http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/ehb-2-20-2013.html>.

<sup>vi</sup> 26 C.F.R. § 1.36B. *See also:* <http://www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions>.

<sup>vii</sup> 45 C.F.R. § 156.155. *See also:* <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/cancellation-consumer-options-12-19-2013.pdf>.

<sup>viii</sup> 45 C.F.R. § 147.120. *See also:* <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Coverage-for-Young-Adults.html>.

<sup>ix</sup> 45 C.F.R. § 155.405.