

Complex Case Scenarios

*Preventing Gaps in Health Care Coverage Mini-Series:
Transitioning from a Marketplace Plan to Other Health Coverage*



*Center for Consumer Information and Insurance Oversight
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Transitioning from a Marketplace Plan to Other Health Coverage

Agenda

- Marketplace Plan to Employer-Sponsored Coverage
- Marketplace Plan to Medicaid or CHIP Coverage
- Marketplace Plan to Medicare Coverage
- Summary and Key Takeaways

Transitioning from a Marketplace Plan to Other Health Coverage

Jocelyn, 27 years old, Single

- Jocelyn purchased coverage in a Marketplace plan that began on January 1, 2016. When she purchased this plan she worked part-time in a Human Resources department at a boutique firm and made \$36,000 a year. She was not offered health care coverage through her job.
- She was determined eligible to receive financial assistance through the Marketplace to lower her monthly insurance costs.
- Effective March 1, 2016, Jocelyn was let go from her human resources job due to downsizing, but was quickly offered a new job as a sales associate at a local department store the very next week. With this new job, she received an offer of employer-sponsored coverage. Jocelyn estimates that she will make \$15,300 in 2016.

Transitioning from a Marketplace Plan to Other Health Coverage

Jocelyn, 27 years old, Single (continued)

- Jocelyn's employer pays 100% of the cost of employees' premiums and the plans she has to choose from all meet minimum value standards. Therefore, Jocelyn's offer of employer-sponsored coverage is considered "affordable" because she would contribute no portion of her income to monthly premiums.
- Jocelyn's new employer has a 45-day waiting period before employer-sponsored coverage takes effect. Since Jocelyn began working on March 9, coverage under her employer's group health plan would take effect on May 23rd, 2016.
- Jocelyn will have 30 days, or until April 9th, to decide whether or not to enroll in her employer's group health plan
- Jocelyn is unsure if she wants to accept her offer of employer-sponsored coverage or see what other coverage options she may have. In order to avoid a coverage gap, how should she transition from her Marketplace plan to employer-sponsored coverage or another health coverage option, such as Medicaid?

Transitioning from a Marketplace Plan to Other Health Coverage

What health coverage options may be available to Jocelyn to avoid a gap in coverage?

- Current Marketplace Plan
- Employer-Sponsored Coverage
- Medicaid coverage

Option 1

Transitioning from a Marketplace Plan to Employer-Sponsored Coverage

Transitioning from a Marketplace Plan to Employer-Sponsored Coverage

Considerations When Transitioning to Employer-Sponsored Coverage

- If a consumer's offer of employer-sponsored coverage is considered to be "affordable" and meets the minimum value standard under the regulations, then the consumer is not eligible to receive financial assistance through the Marketplace. To be affordable, the plan for self-only coverage must not cost more than 9.66 percent of a consumer's annual income for the 2016 plan year (note that this percentage may change each year). To meet the minimum value standard, the health plan must, among other things, pay at least 60 percent of the total cost of medical services for a standard population.
- Consumers who have an offer of employer-sponsored coverage that is affordable and meets the minimum value standard can reject it and remain in a Marketplace plan, but they will no longer be eligible for any financial assistance through the Marketplace and instead will have to pay the full cost of that plan. Consumers must report that they have an offer of employer-sponsored coverage on their Marketplace application by reporting a life change. Because Jocelyn's plan is considered "affordable" and meets minimum value standard, she would likely lose her eligibility to receive financial assistance through the Marketplace.
- However, consumers who have an offer of employer-sponsored coverage but who are still in the employer's waiting period may still be eligible to receive financial assistance through the Marketplace during the waiting period. For example, between March 9th and May 23rd, Jocelyn may still be eligible to receive financial assistance through the Marketplace.

Transitioning from a Marketplace Plan to Employer-Sponsored Coverage

Considerations When Transitioning to Employer-Sponsored Coverage (continued)

- In this situation, Jocelyn should come to the Marketplace to report her change twice:
 - First to report her change in income and new offer of ESC (though in the 45 days waiting period) when she changes jobs
 - Again when her waiting period ends and she becomes eligible for ESC

Transitioning from a Marketplace Plan to Employer-Sponsored Coverage

Considerations When Transitioning to Employer-Sponsored Coverage (continued)

- Consumers should ensure that the offer of employer-sponsored coverage meets their health care needs and budget. Jocelyn's employer-sponsored coverage may offer different covered benefits or a different network of providers. Jocelyn should consider this when deciding whether or not to accept her employer's offer of coverage
- If Jocelyn is taking any medications, she should review the drug formulary her employer plan is offering to see if her medications are covered under the plan
- Jocelyn should also look at differences in premiums and cost-sharing between the plans, comparing costs like deductibles, copayments, and coinsurance

Transitioning from a Marketplace Plan to Employer-Sponsored Coverage

How to Terminate a Marketplace Plan

Important:

Consumers can set the end date beyond 14 days in the future if they know more than two weeks in advance the start date of their new coverage. Consumers should set the last day of their Marketplace coverage to the day before their employer-sponsored coverage will begin. Consumers can terminate their Marketplace plan by calling the Marketplace Call Center at **1-800-318-2596** or by following the steps on the next slide online at **HealthCare.gov**

***Please note:** If you're ending coverage for everyone on the application, your cancellation can take effect as soon as **14 days** from the day you cancel. If you're ending coverage for **just some people**, in most cases, their coverage will end immediately.

Transitioning from a Marketplace Plan to Employer-Sponsored Coverage

How to Terminate Marketplace Coverage for all Enrollees:

1. Visit HealthCare.gov and sign into the account
2. Click on “Start a new application or update an existing one” and select the application that needs to be cancelled
3. Click “My Plans and Programs,” then select the red button that says “End (Terminate) All Coverage”
4. Select a termination date at least 14 days in the future, click the attestation, and click “Terminate Coverage”
5. View termination confirmation

How to Terminate Marketplace Coverage for some, but not all Enrollees:

1. Visit HealthCare.gov and sign into the account
2. Click on “Start a new application or update an existing one” and select the application that needs to be cancelled
3. Click “Report a life change” twice and continue through to change application information
4. Select “Report a change in my household’s income, size, or other information.”
5. Check the attestation box, then click “Save & Continue.”
6. Continue through the application, updating information as necessary.
7. On the “Who Needs Coverage” page, select all household members who want to **keep** Marketplace coverage.
8. Remove the people who no longer need Marketplace coverage, confirm the removals and answer the subsequent questions
9. Add back in the relevant members of the tax household who will be included on the household’s tax return
10. View eligibility results and continue through enrollment

* When you end coverage for just some people on your application, your premium tax credit or other savings may change. You may need to update your household income after ending coverage for one or more people.*

Option 2

Transitioning from a Marketplace Plan to Medicaid Coverage

Transitioning from a Marketplace Plan to Medicaid Coverage

Considerations When Transitioning to Medicaid Coverage

- Medicaid has a year-round open enrollment period. If determined eligible, Medicaid coverage will be effective back to the date of application and up to 3 months earlier in some states.
- Eligibility for Medicaid is determined by household size, income, residency, citizenship and immigration status, and the state's specific eligibility criteria. For more information about Medicaid eligibility criteria in a specific state, please see: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/By-State.html>.
- Consumers should not experience a gap in coverage as they move from Marketplace plans to Medicaid coverage. Jocelyn should tell the Marketplace about her drop in income by reporting a life change in her Marketplace application.

Transitioning from a Marketplace Plan to Medicaid Coverage

Considerations When Transitioning to Medicaid Coverage (continued)

- Consumers who have been determined eligible for Medicaid or CHIP should terminate their Marketplace coverage with financial assistance as soon as they receive a notice that they have been determined eligible for Medicaid or CHIP.
- Upon being determined eligible for Medicaid, Jocelyn should terminate her Marketplace coverage with financial assistance. Jocelyn's Medicaid coverage will be effective retroactive to at least the date of her application.

Option 3

Transitioning from a Marketplace Plan to Medicare Coverage

Transitioning from a Marketplace Plan to Medicare Coverage

Transitioning from a Marketplace Plan to Medicare

- If consumers already have a Marketplace plan when they become eligible for Medicare, their eligibility for Medicare does not prevent them from keeping the Marketplace plan; however they will no longer be eligible for financial assistance through the Marketplace. Consumers generally cannot enroll in an individual market Marketplace plan after they are already enrolled in Medicare and it is illegal for issuers to sell a Marketplace plan to these consumers if they know the Marketplace plan will duplicate the consumers' Medicare benefits.
- Jocelyn is eligible for free Medicare Part A and can **keep** her Marketplace plan when she enrolls in Medicare, but she will no longer be eligible for financial assistance through the Marketplace. Jocelyn will have to pay full-price for her Marketplace plan once she is enrolled in Medicare Part A. Jocelyn should return to the Marketplace to update her information as soon as she is enrolled in Medicare Part A; reporting this change will end her financial assistance and help prevent having to repay APTC received while also enrolled in Medicare Part A when she files her federal taxes.

Transitioning from a Marketplace Plan to Medicare Coverage

Transitioning from a Marketplace Plan to Medicare (continued)

- To avoid a gap in coverage, consumers should not terminate their Marketplace plan before their Medicare coverage begins. Once their Medicare coverage starts, consumers can terminate their Marketplace plan.
- If Jocelyn decides to enroll in Medicare, she may be able to enroll in a Medicare Advantage plan or a Medigap policy, which may be appropriate if she thinks that Medicare Part A and B coverage is not adequate for her needs. For more information about Medicare coverage options, please see: <http://www.medicare.gov/sign-up-change-plans/decide-how-to-get-medicare/your-medicare-coverage-choices.html>.
- If consumers decide to stay enrolled in an individual market Marketplace plan and do not sign up for Medicare when they are first eligible, they may have to pay a late enrollment payment every month if they later decide to enroll in Medicare.

Key Takeaways

Transitioning from a Marketplace Plan to Other Coverage Options

Transitioning from a Marketplace Plan to Other Coverage Options

Key Takeaways: Transitioning from a Marketplace Plan

- If consumers receive an offer of employer-sponsored coverage, they generally will have until their employer's deadline to enroll in the job-based plan
- If consumers' offer of employer-sponsored coverage is affordable and meets the minimum value standard, they are not eligible to receive financial assistance through the Marketplace. However, consumers who have an offer of employer-sponsored coverage but who are still in the employer's waiting period may still be able to receive financial assistance through the Marketplace during the waiting period
- Consumers who have been determined eligible for Medicaid or CHIP are not eligible for financial assistance through the Marketplace. As consumers receive their Medicaid or CHIP determination, consumers should terminate their Marketplace coverage with financial assistance.

Transitioning from a Marketplace Plan to Other Coverage Options

Key Takeaways: Transitioning from a Marketplace Plan

- Consumers must terminate their Marketplace plan by either calling the Marketplace Call Center or going online at HealthCare.gov. Consumers should be careful when setting a termination date to avoid a gap in coverage. Consumers generally will need to set a termination date of at least 14 days in the future.
- It is illegal for issuers to sell a Marketplace plan to consumers who are enrolled in Medicare, if they know the Marketplace plan will duplicate the consumers' Medicare benefits.
- If consumers decide to stay enrolled in an individual market Marketplace plan and do not sign up for Medicare when they are first eligible, they may have to pay a late enrollment payment every month if they later decide to enroll in Medicare