Employer-Sponsored Coverage (ESC) Quiz: Answer Key

True/False

1. A consumer can't get Marketplace coverage if they're eligible for employer-sponsored coverage (ESC).

   - **FALSE**: A consumer may still be eligible for Marketplace coverage even if they're eligible for ESC. To be eligible to enroll Marketplace coverage, a consumer must live in the U.S., must be a U.S. citizen or national (or lawfully present), and can't be incarcerated (other than pending disposition of charges). Being eligible for ESC does, however, impact their eligibility for financial help through the Marketplace.

2. If a consumer's ESC offers coverage to their children, the children can stay on the employer plan until age 26.

   - **TRUE**. Once a child is on a parent's job-based plan, in most cases the child can stay on it until they turn 26 (or longer depending on state law or the plan's policy). Generally, children can join a parent's plan and stay on until the child turns 26 even if they:

     - Get married
     - Have or adopt a child
     - Start or leave school
     - Live in or out of the parent's home
     - Aren't claimed as a tax dependent
     - Turn down an offer of job-based coverage

   - Children under 26 can also be on their parent's Marketplace plan. If the child is on a parent's Marketplace plan, they can remain on the parent's plan through December 31 of the year they turn 26 (or the age permitted in their state).

3. Children don't have to be claimed as their parent's tax dependent to continue to be covered as a dependent on the parent's employer plan until the age of 26.

   - **TRUE**.

4. If a consumer's eligible for ESC, they're never eligible for financial help through the Marketplace.

   - **FALSE**. A consumer may be eligible for financial help through the Marketplace if their ESC is either unaffordable (by Marketplace standards) or doesn't meet the minimum value standard.

5. If the cost of the "lowest cost self-only plan" offered by a consumer's employer is considered affordable OR meets the "minimum value standard," they're is not eligible for financial help.

   - **FALSE**. If the cost for the lowest cost self only plan is either unaffordable OR doesn't meet the minimum value standard, consumers may be eligible for financial help through the Marketplace. The plan doesn't need to fail both the affordability and minimum value standard tests for consumers to potentially be eligible for financial help through the Marketplace.

6. The definition of "affordable" is different for purposes of eligibility for financial help through the Marketplace than it is for eligibility for an affordability exemption from the requirement to have health insurance.

   - **TRUE**. Employer coverage is considered affordable if the employee's share of the annual premium for the lowest cost employee-only plan is no greater than 9.69% of annual household income. To be eligible for the affordability exemption, the lowest-priced coverage available to a consumer, through the Marketplace or a job-based plan, would cost more than 8.16% of the consumer's household income. (Affordability percentages may change annually).

7. A consumer's never eligible for financial help through the Marketplace once they start a job that offers affordable ESC that meets the minimum value standard.

   - **FALSE**. If a consumer's employer has a waiting period before they're eligible for new coverage, they may be eligible to get financial help through the Marketplace during the waiting period.

8. A consumer may be eligible for financial help through the Marketplace if the consumer misses their employer's enrollment period, or they decide not to enroll in their employer's plan.

   - **FALSE**. The Marketplace considers if a consumer had an offer of affordable ESC that meets the minimum value standard when it determines eligibility for financial help, even if the consumer is not currently enrolled in the employer's coverage.

9. A consumer's costs under COBRA will always be the same as when they were employed or worked enough hours to be eligible for the ESC.

    - **FALSE**. While the plan benefits and out-of-pocket costs may be the same if the consumer continues enrollment in the same plan through COBRA, employers decide if they'll contribute to the consumer's premiums under COBRA. Therefore, the consumer may be responsible for the entire monthly premium by themselves and the cost of the continuation coverage may be more expensive for them than it was when they were employed.

10. COBRA can be retroactive, which means it can begin on the date a consumer's job-based insurance ended.

    - **TRUE**. COBRA can begin on the date the consumer's ESC ended, as long as the election is made within the 60-day election period for COBRA.

11. If a consumer's eligible for COBRA, they're not eligible for financial help through the Marketplace.

    - **FALSE**. If a consumer is eligible but not enrolled in COBRA, they may still qualify for financial help through the Marketplace. These consumers may be eligible for a Special Enrollment Period to buy a Marketplace plan if they lost their ESC within the last 60 days. They may also access this Special Enrollment Period 60 days *prior* to their loss of ESC.

12. If a consumer is enrolled in COBRA, they're not eligible for financial help through the Marketplace.

    - **TRUE**. Once a consumer enrolls in COBRA, they're not eligible for financial help through the Marketplace. If a consumer voluntarily drop COBRA (or loses coverage because they stop paying their premiums) outside of the Open Enrollment Period, they can't qualify for financial help through the Marketplace (and they won't qualify for a Special Enrollment Period based on losing COBRA). However, if they voluntarily drop COBRA during the Open Enrollment Period, they may be eligible for financial help through the Marketplace.

Fill in the Blank

1. When the Marketplace is calculating a family's eligibility for financial help, it considers the cost of the _______ available to the employee.

   - **Lowest cost self-only plan** available to the employee. Employer coverage is considered affordable if the employee's share of the annual premium for the lowest cost employee-only plan is no greater than 9.69% of annual household income. The affordability test only considers the cost of the employee-only coverage. The cost of family coverage isn't considered for the affordability test.

2. When the Marketplace is calculating a family's eligibility for an affordability exemption from the requirement to have health insurance, it considers the cost of the ______ available to the family through either a Marketplace or job-based plan.

   - **The lowest-priced coverage** available to the family through either a Marketplace or job-based plan. They may qualify for an exemption if this plan would cost more than 8.16% of their household income.

3. A health plan meets the minimum value standard if it pays at least ___ percent of the total cost of medical services for a standard population. The plan's Summary of Benefits and Coverage (SBC) will indicate if the coverage meets minimum value requirements.

   - A health plan meets the standard if it pays at least **60%** of the total cost of medical services for a standard population.

4. If a consumer is in an employer's waiting period, the Marketplace [does/doesn't] consider them as eligible for ESC when it's determining eligibility for financial help through the Marketplace.

   - In this case, the Marketplace **doesn't** consider the consumer to be eligible for ESC. Therefore, if their employer has a waiting period before they're eligible for new coverage, they may be eligible to get financial help through the Marketplace during the waiting period.

5. A consumer [is/isn't] eligible for financial help through the Marketplace if they're eligible for but not enrolled in their affordable ESC that meets the minimum value standard.

   - This consumer **isn't** eligible. The Marketplace needs to know if they're eligible for ESC so it can determine eligibility for financial help through the Marketplace. There's an exception for COBRA: if they're eligible for but not enrolled in COBRA, they may be eligible for financial help through the Marketplace.

6. When a consumer loses ESC because of a reduction in hours of work or the termination of employment (for reasons other than gross misconduct), qualified beneficiaries must generally be allowed COBRA coverage for ____months.

   - These “qualified beneficiaries” must generally be allowed COBRA coverage for **18** months. In 2 cases, the extension may be longer: 1) <u>Disability</u>: An additional 11 months is allowed if a qualified beneficiary in the family is disabled and meets certain criteria. Total length of COBRA coverage is **29** months. 2) <u>A second Qualifying Event</u>: An additional 18 months is allowed for consumers who are covered by COBRA and experience a second qualifying event. Second qualifying events include the death of the covered employee, divorce or separation, or Medicaid entitlement. Total length of COBRA coverage is **36** months.

7. Consumers have ____days to enroll in COBRA coverage after losing their employer coverage.

   - They have **60** days to enroll.

8. Consumers have ____days after electing COBRA to pay their first month’s premium.

   - They have at least **45** days to pay.

9. Consumers [can/can’t] get a Special Enrollment Period to enroll in Marketplace coverage by voluntarily dropping COBRA coverage.

   - Consumers **can’t** drop COBRA to qualify for a Special Enrollment Period. They’re not eligible for a Special Enrollment Period if they voluntarily end their COBRA coverage. This includes losing COBRA coverage due to non-payment of premiums. An exception to this is if the employer stops contributing to premiums.