



Health Care Reform **Bulletin**

New Exchange Special Enrollment Periods for 2015

Provided by JRG Advisors, LLC

Quick Facts

- The 2015 Exchange open enrollment period ended on **Feb. 15, 2015**.
- However, new special enrollment periods are available for a limited time for some individuals.
- Individuals who were unaware of or didn't understand the individual mandate penalty may enroll from **March 15 to April 30, 2015**.
- In line individuals could enroll until **Feb. 22**.

If certain conditions are met, new special enrollment periods allow certain individuals to enroll in Exchange coverage after the 2015 open enrollment period closed.

Under the Affordable Care Act (ACA), individuals may only enroll through an Exchange **during a permitted enrollment period** (such as open enrollment or a special enrollment period). The 2015 open enrollment period ended on Feb. 15, 2015.

On Feb. 20, 2015, the Centers for Medicare & Medicaid Services (CMS) issued [guidance](#) providing a **special enrollment period** (SEP) for individuals and families who did not have health coverage in 2014 and are subject to the individual mandate penalty when they file their 2014 taxes in states that use the Federally-facilitated Exchange (FFE).

This SEP will allow those individuals and families who were unaware or didn't understand the implications of this new individual mandate requirement to enroll in 2015 health insurance coverage through the FFE. These individuals may purchase health insurance coverage from **March 15, 2015**, through **April 30, 2015**. If consumers do not purchase coverage for 2015 during this SEP, they may have to pay a penalty when they file their 2015 income taxes.

CMS also [provided](#) a separate SEP for individuals who had been unable to enroll in coverage through the FFE at the end of the 2015 open

enrollment period due to certain circumstances they experienced in the process. This SEP began on **Feb. 16, 2015**, and ended on **Feb. 22, 2015**.

Finally, on Feb. 20, 2015, CMS released a new [health coverage tax exemption tool](#) on [HealthCare.gov](#) to help consumers determine if they qualify for an exemption.

Overview of Special Enrollment in Exchanges

Individuals may be allowed an SEP in an Exchange following certain triggering events, such as marriage or birth of a child. These SEPs allow individuals to enroll in a qualified health plan (QHP) through an Exchange outside of open enrollment.

The effective date of any coverage elected during an SEP generally follows rules similar to those applicable during initial enrollment. This means that coverage would generally be effective as of the first day of the month for elections made by the 15th of the preceding month, and on the first day of the second following month for elections made between the 16th and the last day of a given month.

However, the Exchange will set an effective date for SEPs triggered by enrollment errors or other special circumstances.



SEP for Tax Season

CMS noted that certain consumers may have been unaware or didn't understand the implications of the penalty for not enrolling in health coverage (the individual mandate penalty). This year's tax season is the first time individuals and families will be asked to provide basic information regarding their health coverage on their tax returns.

As a result, CMS will provide consumers with an opportunity to purchase health insurance coverage from **March 15 to April 30**. If consumers do not purchase coverage for 2015 during this SEP, they may have to pay an individual mandate penalty when they file their 2015 income taxes.

This SEP is only available for individuals who live in states with an FFE and:

- Currently are not enrolled in coverage through the FFE for 2015;
- Attest that, when they filed their 2014 tax return, they paid the penalty for not having health coverage in 2014; and
- Attest that they first became aware, or understood the implications, of the individual mandate penalty after the end of 2015 open enrollment (Feb. 15, 2015) in connection with preparing their 2014 taxes.

Individuals will need to visit HealthCare.gov to determine if they are eligible for this SEP. If a consumer enrolls in coverage during this SEP before the 15th of the month, coverage will be effective on the first day of the following month.

Individuals taking advantage of this SEP will still owe a fee for the months they were uninsured and did not receive an exemption in 2014 and 2015. According to the IRS, this SEP is designed to allow these individuals the opportunity to get covered for the remainder of the year and avoid additional fees for 2015.

SEPs for "In Line" Individuals

On Feb. 16, 2015, CMS also provided a separate SEP for individuals who had been unable to

enroll in coverage through the FFE. This SEP began on **Feb. 16, 2015**, and ended on **Feb. 22, 2015**.

According to CMS, certain circumstances across consumer enrollment channels (such as HealthCare.gov and the Exchange call center) leading up to the Feb. 15, 2015, deadline kept some consumers from completing the enrollment process, despite their efforts to meet the deadline.

As a result, CMS provided an SEP for consumers who:

1. Were not enrolled in coverage through the FFE;
2. Had not been terminated from coverage purchased through the FFE during the 2015 open enrollment period; and
3. Attested that they attempted to enroll during the annual open enrollment period but did not complete the process (referred to as being "in line") by Feb. 15, 2015, because they experienced either:
 - A technical issue with HealthCare.gov that prevented them from completing enrollment by Feb. 15; or
 - An extensive call center wait on Feb. 13, 14 or 15.

Consumers could not access this SEP through the direct enrollment process. Instead, they should have contacted the FFE via the call center or HealthCare.gov.

Enrollments completed during the SEP will have an effective date of March 1, 2015, to align with the coverage effective date that the consumer would have received had he or she been able to complete the enrollment process by Feb. 15, 2015. Because the "in line" SEP coverage effective date of March 1, 2015, follows the end date of the SEP (Feb. 22, 2015) so closely, the FFE expects issuers to allow consumers a reasonable amount of time in which to pay the first month's premium.



Health Coverage Tax Exemption Tool

Individuals who could not afford coverage or met other conditions may be eligible to receive an exemption for 2014. To help consumers who did not have insurance last year determine if they qualify for an exemption, CMS also launched a [health coverage tax exemption tool](#) on [HealthCare.gov](#).

Individuals who do not qualify for an exemption and went without health coverage in 2014 will have to pay a fee of \$95 per adult or 1 percent of their income, whichever is greater. The fee increases to \$325 per adult or 2 percent of income for 2015.

More Information

Please contact JRG Advisors, LLC for more information on Exchange enrollment periods and the individual mandate penalty.

*Source: Centers for Medicare & Medicaid
Services*

