

BETter Living ...

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How Do I Get Health Insurance Now?

This week I am focusing on Health Insurance. This is an article written by Katie Allen from K-State Research and Extension. The federal marketplace, under the Affordable Care Act, is currently closed and set to reopen Nov. 15, Kansans might want to know the health insurance options available now.

According to the Kansas Health Institute (KHI), more than 57,000 Kansans signed up for health insurance through the federal marketplace, under the Affordable Care Act (ACA), before the March 31 deadline. The ACA, also known as Obamacare, is health care law. Most remaining Kansans who do not have job-based options and chose not to buy insurance through the marketplace might now have to wait until it reopens Nov. 15.

Roberta Riportella, the Kansas Health Foundation professor of community health at Kansas State University, said depending on each personal situation, some people might have more than one option when it comes to getting health insurance. Below is a list of options she has outlined.

HealthCare.gov (official consumer website for the federal health insurance marketplace)

The federal health insurance marketplace, which is also called the exchange, is a store where insurers who have met certain conditions are able to sell health insurance policies to eligible consumers. Through the marketplace, people can shop for an insurance plan that offers the most appropriate providers, services and price for their own and their family's needs. Most people are aware of the marketplace through its presence as a website: HealthCare.gov.

Though the marketplace is currently closed, it will reopen Nov. 15, 2014 to Feb. 15, 2015, and it remains an appropriate option for people who have not been able to get affordable insurance through their jobs or buy insurance on their own. No one can be turned down for insurance in the marketplace.

During the closed period, however, there are exceptions for some people to buy health insurance in the marketplace. Those who experience a qualifying life event could be eligible for special enrollment.

Qualifying events (link to list of qualifying events:

http://www.hr.mnscu.edu/insurance/documents/Qualifying_Life_Event.pdf) could include changing a job, moving out of state, losing insurance, getting married or divorced, losing a spouse, retiring or adding a child. Enrollees with a qualifying life event have 60 days after the event to sign up for insurance through the marketplace.

People who do not have a qualifying life event and are enrolling for the first time in the marketplace, or if they wish to change plans for any reason, can do so beginning Nov. 15. On Jan. 1, 2015, health care coverage begins or renews for those who have enrolled.

Those whose household income is less than 400 percent of the federal poverty level (FPL)

(<http://aspe.hhs.gov/poverty/14poverty.cfm>) could get tax credits to reduce the cost of their health insurance premiums. If their incomes are less than 250 percent of the FPL, those people might also get help paying for out-of-pocket health care costs.

Most people who have work-based insurance are not eligible for tax credits nor any cost sharing. Health care law tries to keep people in work-based insurance if it is affordable and adequate according to specific definitions. This is true even if the marketplace seems to offer what a consumer thinks is a better option.

Insurance through a job

Insurance through a job stays the same unless the employer decides to make changes, which can occur at any time. If the insurance offered through the employer is not affordable, meaning it costs more than 9.5 percent of total household income for an individual policy, not a family policy, the individual will have the option to shop the federal marketplace and might be eligible for financial assistance. Adequate means the plan pays, on average, 60 percent of all medical costs in a given year.

KanCare at www.kancare.ks.gov

KanCare is the Kansas Medicaid program for U.S. citizens and lawfully present immigrants that provides insurance for low-income individuals who are over 65, under 18 or disabled. Children and pregnant women might be eligible for KanCare if their household incomes are less than 245 percent of the FPL.

Check for eligibility at www.kancare.ks.gov or www.HealthCare.gov.

Other health insurance options

Anyone already insured through a public program is considered insured and does not need to make insurance changes. Public programs include Medicare, Medicaid (KanCare), TRICARE, Veterans Affairs (VA) or the Indian Health Service (IHS).

For adults age 65 and older, Medicare remains the health insurance option. Certain younger people with disabilities and people with end-stage renal disease and amyotrophic lateral sclerosis, commonly called ALS or Lou Gehrig's disease, will continue to get their health insurance through this federal program. These people continue to need supplemental and Part D (prescription drug) coverage plans, and they will continue to get them at www.medicare.gov. Those on Medicare cannot buy Medicare supplemental or Part D policies through the federal marketplace.

TRICARE (<http://www.tricare.mil>) is a U.S. Department of Defense health care program for eligible members of the seven uniform services and their families. The VA health benefits program (<http://www.va.gov/healthbenefits>) provides coverage for eligible veterans who served in the U.S. military. The IHS (<http://www.ihs.gov>) is a federal health care system for federally recognized American Indian and Alaska Natives.

For young adults, health care law allows those up to age 26 to stay on their parents' insurance policies. Those under age 30 or with special financial circumstances can buy a catastrophic plan at a lower premium cost but are subject to the same enrollment periods as other people buying plans in the marketplace. Those adults who are enrolled in higher education might want to seek information about student health insurance options.

It is possible to buy a private health insurance plan from an agent or broker outside of the marketplace and during the closed marketplace period, but plans available using this option are much fewer than before.

"The ACA requires insurers to take all who apply," Riportella said. "If people wait to purchase insurance outside of the open enrollment period, it is more likely they are sick and feel that they need the insurance. In that instance, the insurance company is taking on a known risk and adding to a pool that may not include many healthy people as the marketplace plans expect to have. Many private insurers are avoiding those kinds of risks altogether."

Protecting against risk

Those who do not have health coverage might have to pay a fee, and this fee, also called an individual responsibility payment, increases each year. Those who are uninsured for tax year 2014 will be faced with a

penalty fine of 1 percent of their household's annual modified adjusted gross income over a set amount, Riportella said. For tax year 2015, the penalty will be 2 percent.

"The penalty calculation is a bit confusing, but know it will cost families more than they perhaps anticipate if they choose to go without insurance," she said.

Elizabeth Kiss, assistant professor and K-State Research and Extension family resource management specialist, said it's important to keep in mind that even if people pay the fee, they still will not have any health insurance coverage and will be responsible for 100 percent of the cost of any medical care they receive. There is already evidence that hospitals and other providers who were providing charity care expect many people now to have insurance options and bill accordingly.

"Not only does purchasing health insurance have the potential to improve our health, it also protects against the risk of large financial expenses if we experience injury or illness," Kiss said. "Medical expenses have been a leading cause of personal bankruptcy. With health insurance, families are better able to plan for medical expenses, because they can budget for premiums and out-of-pocket expenses of their plans."

More information

To learn more about how to enroll in the federal health insurance marketplace or KanCare, call the marketplace, available 24/7, at 800-318-2596. People who think they meet special enrollment criteria should contact the marketplace. The KHI also has numerous resources on its website (<http://www.khi.org/>).

Health insurance exemptions can be found on the marketplace website (<https://www.healthcare.gov/exemptions/>).

Read more about issues in health reform on Riportella's blog (<https://blogs.ksre.ksu.edu/issuesinhealthreform/how-do-i-get-health-insurance-before-the-next-open-enrollment-period-starting-nov-15-2014/>).