



Health Reform: **Beyond the Basics**

healthreformbeyondthebasics.org

Diving Deep on Commonly Encountered Eligibility and Enrollment Issues

Center on Budget and Policy Priorities

February 26, 2014

Part I:

COBRA COVERAGE OPTIONS

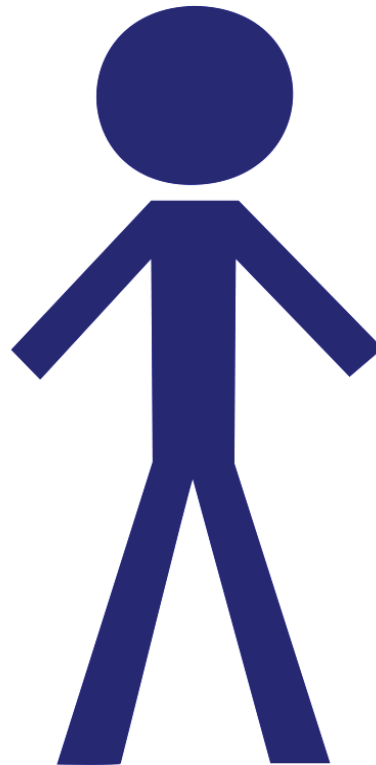
Open Enrollment: Annual Period When All Eligible Individuals Can *Enroll* in a Qualified Health Plan

- Marketplaces will determine eligibility to enroll in a QHP, assess (or determine) eligibility for Medicaid and CHIP, and determine eligibility for premium tax credits and cost-sharing reductions *all year*.
- But a person can only enroll in a QHP during open enrollment (unless he/she meets requirements for a “special enrollment period”).

A person must be enrolled in a QHP to receive subsidies



Marketplace Plan or QHP



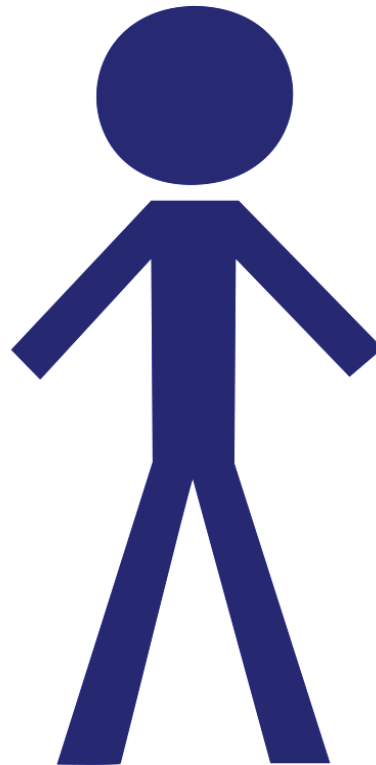
Tax Credit and Cost-Sharing Reduction



Timing can prevent enrollment in a QHP/Marketplace plan



Marketplace Plan or QHP



Tax Credit and Cost-Sharing Reduction



Background on COBRA

- Allows certain former employees and their family members to continue coverage under an employer's health plan.
- COBRA is offered when a person covered by a group health plan experiences a “qualifying event,” such as loss of a job (other than for gross misconduct) or a reduction in hours.
- The ACA treats state continuation coverage or “mini-COBRA” the same as federal COBRA for purposes of this discussion.
- The employee generally pays full cost of the COBRA premium.
- COBRA coverage is typically available for a maximum of 18 months.

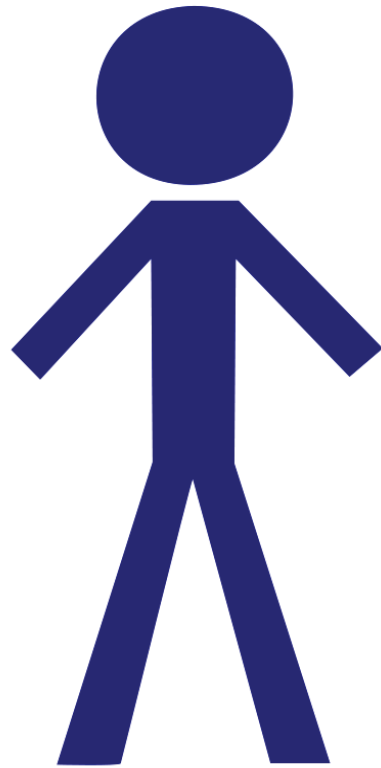
Q: Can a person with access to COBRA be eligible for Marketplace subsidies?

- Yes. The general rule is that being eligible for COBRA coverage does not bar a person from receiving subsidies through the Marketplace.
- So having the option of COBRA coverage differs from having the option to enroll in regular job-based coverage, which can prevent subsidy eligibility.
- If a person is enrolled in COBRA he or she cannot get Marketplace subsidies while still enrolled.

Eligibility for Some Types of Coverage Bars Subsidy Eligibility



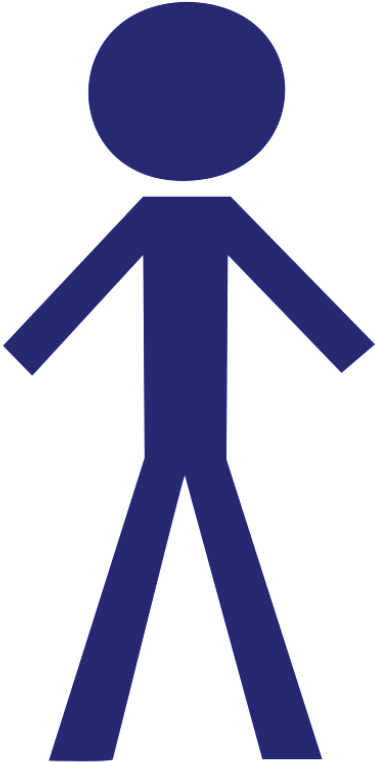
Employer-sponsored Health Plan



Having the option to enroll in COBRA does not bar subsidy eligibility



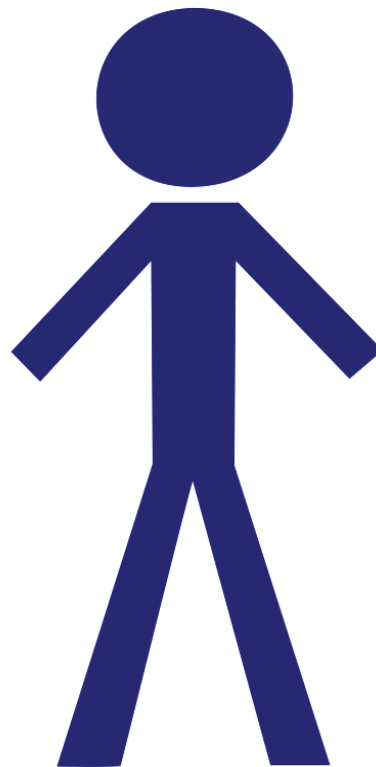
COBRA



A person enrolled in COBRA cannot get subsidies while enrolled



COBRA



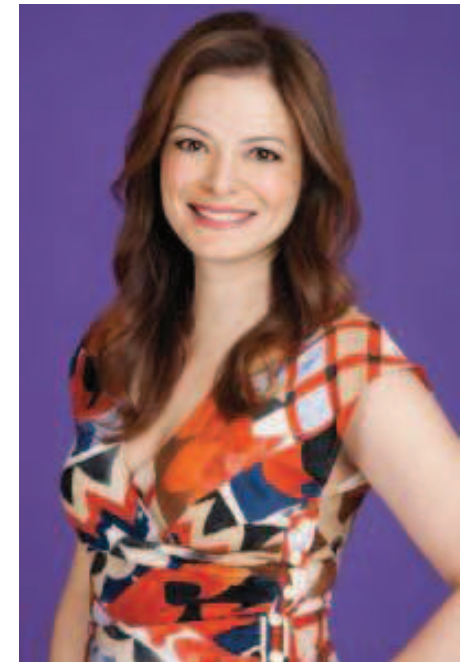
Retiree Coverage Works Similarly

- As with COBRA, being eligible for a retiree plan does not bar a person from receiving subsidies through the Marketplace.
- Therefore, having the option to enroll in retiree coverage is different than having the option, as an active employee, to enroll in the employer-sponsored coverage, which can be a bar to subsidies.



Scenario #1: Shelby has the option to enroll in COBRA

- Last month she left a job where she had health insurance.
- Shelby has an offer of COBRA coverage through her former employer, but she finds the cost is too expensive. She hasn't enrolled in it.
- She wants to see if she qualifies for Marketplace subsidies.





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✓ FAMILY & HOUSEHOLD

✓ INCOME

⬇ ADDITIONAL
INFORMATION

1 Shelby G

2 Other questions

○ REVIEW & SIGN

Additional information

We need to know a few more things about you and your family to make sure we match you with the best available programs to lower your health coverage costs.

All fields are required unless they're marked optional.



You may need:

- › Information about your current health coverage
- › Information about any job-related coverage you and your family may be able to get, even if you're not enrolled in it
- › If you are eligible for insurance from an employer, you'll need information about the plans they offer

How can I get my employer's coverage information?

You can use the [Employer Coverage Tool](#) to get the information you'll need. Download the form and take it to your employer's human resources office to complete.

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Is Shelby G enrolled in health coverage from any of the following?

- Virginia's Medicaid Program
- Virginia's CHIP Program
- Medicare
- TRICARE (Don't choose this if you have Direct Care or Line of Duty)
- VA health care program
- Peace Corps
- Individual insurance (non-group coverage)
- None of these

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None of these

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Is Shelby G currently eligible for health coverage through a job (even if it's through COBRA or from another person's job, like a spouse)?

Yes

No

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Tell us which employer(s) offer(s) health coverage to Shelby G:

Check the box next to each employer that offers coverage. Include any coverage available through your job, or a spouse or parent/ guardian's job.

 NIYC

 Other

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 NIYC

EDIT

Employer Identification Number (EIN) *optional*

XX-XXXXXX

Street address *optional*

Suite number *optional*

City *optional*

State *optional*

ZIP code *optional*

Phone number

Ext. *optional*

XXX-XXX-XXXX

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INFORMATION**1** Shelby G

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Is Shelby G currently enrolled in NIYC's health coverage?

 Yes No

Is Shelby G currently in a waiting or probationary period?

 Yes No

Is Shelby G a current or former employee of this employer?

 Yes No

What's Shelby G's current work status at NIYC? (Select one.)

No longer working at this employer ▾

Is the coverage from NIYC COBRA coverage?

[Learn more about COBRA coverage.](#) Yes No

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Tell us about NIYC's health coverage.

Is Shelby G planning to enroll in NIYC's health coverage in 2014 ?

 Yes

 No

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Scenario #1: Shelby has the option to enroll in COBRA



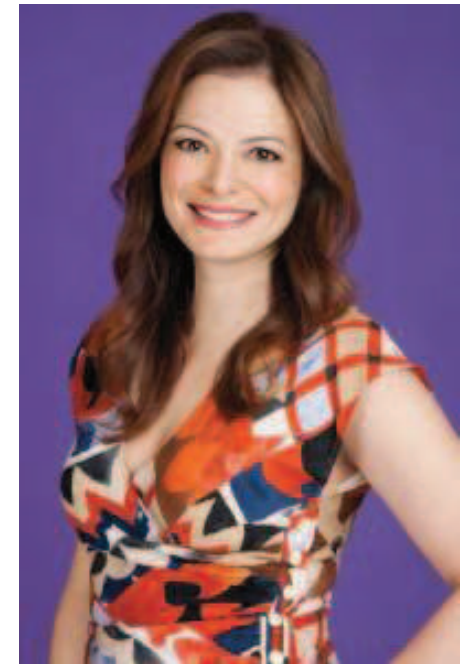
Shelby's eligibility for COBRA does not prevent her from being eligible for subsidies. To use the subsidies, she would still need a Marketplace plan.

Q: Can a person enrolled in COBRA drop it and access a Marketplace plan?

- Right now, yes.
- During Marketplace open enrollment, someone who is enrolled in COBRA can drop that coverage and enroll in a Marketplace plan.
- For people getting subsidies, the effective date of Marketplace coverage will be no earlier than the day after the COBRA coverage ends.

Scenario #2: Shelby has COBRA and it's open enrollment

- Recently left a job where she had health insurance and now is enrolled in COBRA coverage through that employer.
- She signed up for COBRA because she didn't know she had another option, but it is very expensive for her.
- She wants to enroll in a Marketplace plan, possibly with subsidies.
- It is February 2014. Shelby is applying during the Marketplace open enrollment period.





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 REVIEW & SIGN

 None of these

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Is Shelby G currently eligible for health coverage through a job (even if it's through COBRA or from another person's job, like a spouse)?

 Yes

 No

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Tell us which employer(s) offer(s) health coverage to Shelby G:

Check the box next to each employer that offers coverage. Include any coverage available through your job, or a spouse or parent/ guardian's job.

 NIYC

 Other

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Tell us which employer(s) offer(s) health coverage to Shelby G:

Check the box next to each employer that offers coverage. Include any coverage available through your job, or a spouse or parent/ guardian's job.

 NIYC

EDIT

Employer Identification Number (EIN) *optional*

XX-XXXXXX

Street address *optional*

Suite number *optional*

City *optional*

State *optional*

ZIP code *optional*

Phone number

Ext. *optional*

XXX-XXX-XXXX

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Re-enter email address

Is Shelby G currently enrolled in NIYC's health coverage?

Yes

No

Is Shelby G a current or former employee of this employer?

Yes

No

What's Shelby G's current work status at NIYC? (Select one.)

No longer working at this employer ▾

Is the coverage from NIYC COBRA coverage?

[Learn more about COBRA coverage.](#)

Yes

No

Other

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Tell us about NIYC's health coverage.

Does Shelby G expect COBRA benefits to expire during 2014, or does Shelby G expect to drop NIYC's health coverage in 2014?

 Yes

What's Shelby G's last day of coverage through NIYC's health plan?

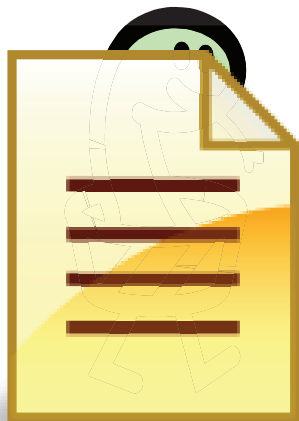
03/31/2014



MM/DD/YYYY

 No

Scenario #2: Shelby has COBRA and applies at the Marketplace during open enrollment



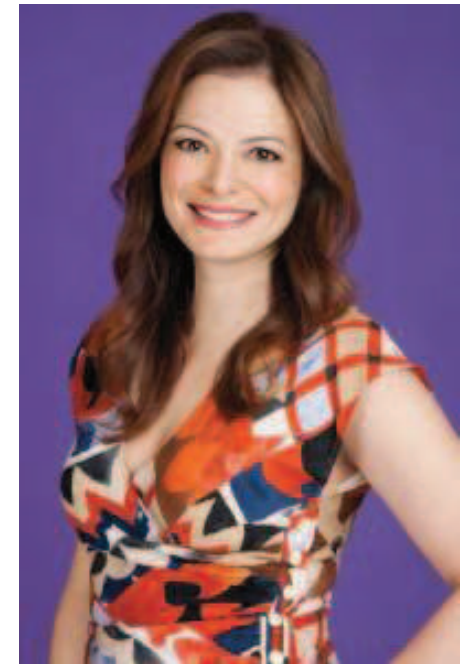
Result: Shelby can drop her COBRA coverage and – because it is open enrollment in the Marketplace – enroll in a QHP and receive the subsidies she is eligible for.

Q: How does the treatment of COBRA change after the Marketplace open enrollment period ends?

- The option to enroll in COBRA does not stop someone from being eligible for a Marketplace plan, including after open enrollment ends.
- However, if a person is enrolled in COBRA, dropping this coverage will not qualify her for a special enrollment period. Outside of open enrollment, she may have to wait until the next open enrollment period to get a Marketplace plan.

Scenario #3: Shelby has COBRA, Marketplace open enrollment is over

- Left a prior job with health insurance and is enrolled in COBRA coverage through that employer.
- Wants to enroll in a Marketplace plan and has income in the subsidy range.
- It is April 2014, so Shelby is applying at the Marketplace after the annual open enrollment period has closed.



Scenario #3: Shelby has COBRA, Marketplace open enrollment is over



Dropping COBRA does not trigger a special enrollment period. Shelby isn't able to enroll in a Marketplace plan, so she can't access the subsidies.

Options for Shelby if she has COBRA and Marketplace open enrollment is over

- Wait until the next open enrollment period to acquire 2015 Marketplace coverage with a subsidy.
- Continue COBRA until it runs out (usually a total of 18 months).
- Note that if Shelby experiences an event that does trigger a special enrollment period in the Marketplace (i.e., permanent move to an area with a different array of Marketplace plans, marriage, etc.) she can enroll in a QHP without waiting until the next open enrollment period.

Scenario #4: Marketplace open enrollment is over, Shelby is losing her job-based coverage

- Shelby is leaving her job and losing her employer-sponsored health insurance.
- Her employer has offered her COBRA.
- Marketplace open enrollment is over for the year, but Shelby's loss of her employer coverage also triggers a special enrollment period in the Marketplace.
- She weighs both options and decides which is best for her.



CMS Fact Sheet and COBRA

- <https://www.healthcare.gov/what-if-i-currently-have-cobra-coverage/>

What if I currently have COBRA coverage?

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If you have COBRA continuation health coverage, you can keep it or decide to buy a Marketplace insurance plan.

COBRA and the Health Insurance Marketplace

When you leave a job, you may be able to keep your job-based health coverage for a period, usually up to 18 months. This is called [COBRA continuation coverage](#).

With COBRA coverage, you usually have to pay the entire premium yourself, plus a small administrative fee. Your former employer no longer pays any of your insurance costs.

Dropping COBRA to get Marketplace coverage

During the open enrollment period you can drop your COBRA coverage and get a plan in the Marketplace instead. Open enrollment ends March 31, 2014.

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[What if I have PCIP coverage?](#)

[What if I'm retired but not eligible for Medicare?](#)

Contact Information

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- Halley Cloud, cloud@cbpp.org

For more information and resources, please visit:

www.healthreformbeyondthebasics.org