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
A person **enrolled** in COBRA cannot get subsidies while enrolled.
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.
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.
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

SAVE & CONTINUE
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

SAVE & CONTINUE
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 or guardian’s job.

- [ ] NIYC
- [ ] Other

SAVE & CONTINUE
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

Employer Identification Number (EIN) optional

Street address optional

City optional

State optional

ZIP code optional

Phone number

Phone number extension

Address line 2

Address line 3

Address line 4
Tell us about NIYC's health coverage.

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

- Yes
- No
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.
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
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.

- [ ] NIVC
- [ ] Other

SAVE & CONTINUE
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

Employer Identification Number (EIN) optional

Street address optional

City optional

State optional

ZIP code optional

Phone number Ext. optional

XXX-XXX-XXXX

Other questions
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
- No

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

03/31/2014

MM/DD/YYYY

SAVE & CONTINUE
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/](https://www.healthcare.gov/what-if-i-currently-have-cobra-coverage/)

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What if I currently have COBRA coverage?

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.
Contact Information

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For more information and resources, please visit:
www.healthreformbeyondthebasics.org

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