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HEALTH INSURANCE OVERVIEW

Two open enrollment periods:

Individual health insurance – under age 65 – Nov 15th thru Feb 15th
Medical & drug coverage – over age 65 – Oct 15th thru Dec 7th

INDIVIDUAL HEALTH INSURANCE – UNDER 65

Terminology: “Obamacare”
Marketplace Exchange

With open enrollment beginning again on November 15, 2014, we wanted to share some important details:

- Enrollment begins on 11/15/14 and continues through 2/15/15
- First available effective date for coverage is 1/1/15
- Effective date after that will be the first day of month following enrollment if application is received prior to 15th of month; otherwise, the first day of the 2nd month following
- If the application is not submitted by 2/15/15, you will have to wait until the next open enrollment period (November 2015) to obtain coverage unless there is a ‘qualifying event’
- Qualifying events include:
 - Marriage
 - birth/adoption of child
 - ineligible as a dependent
 - loss of job/reduction of hours/loss of contribution toward premiums from employer
 - access to new plans because of permanent move
 - loss of premium tax credits
 - moved out of HMO service area
 - loss of minimum essential benefits (other than for non-payment of premium)
- Penalty for not having minimum essential benefits will be assessed after the 4/15/15 tax filing date – at a high level, the penalty is 1% of household income or \$95 per adult (\$47.50 per child) up to a maximum of \$285 per family
 - Our understanding is that the penalty will be ‘taken’ ONLY from tax refunds
 - The penalties increase each year
 - Definitely talk with your accountant

- If you have an individual policy already, your choices for 2015 (as we know them now) are:
 - Do nothing – you will automatically be ‘re-enrolled’ into the same OR SIMILAR plan for 2015
 - There will undoubtedly be a premium adjustment – rates are expected to be released no later than the week of November 10th
 - You should be notified by your insurer of any changes
 - If you receive premium assistance from the government, it is recommended that you go back into the healthcare.gov website and update information for 2015 or they will use the same premium credit for 2015 as they used for 2014
 - There could be changes on existing plans that will auto-renew (slightly different copays or PPO network variances)
 - Review and analyze new plans
 - Again, rates for 2015 are not expected out until the week of November 10th
 - If you make a change in carriers, it will be YOUR responsibility to notify the cancelled carrier to terminate the plan – and you will want to do that as quickly as possible so you are not double-billed
 - The Exchange will NOT notify the insurance company that you have switched carriers if you obtain a subsidy through the Marketplace

“SHOP” Exchange (Small Business Health Options Program)

- This is the terminology for the web portal where small employers can obtain coverage for their employees
- **The ONLY reason to go through the SHOP Exchange is if the employer will be eligible for a small employer tax credit (generally, groups with less than 25 employees and an average salary of less than \$50,000 with an employer contribution to the cost of the coverage could qualify)**
- The Small Employer Tax Credit is ONLY available in 2015 to employers who purchase coverage through this ‘exchange’
- Only 2 carriers on the IL SHOP Exchange at this time – Blue Cross and Land of Lincoln
- Can offer only 1 plan through the SHOP Exchange at this time
- Qualifying for the Small Employer Tax Credit is something to discuss with your accountant

MEDICAL & DRUG COVERAGE – OVER 65 – GENERAL INFORMATION

Open enrollment for those eligible for Medicare based products began on October 15th and will end on December 7th. Some items to keep in mind:

- Medicare Supplements do NOT have an 'open enrollment period' every year – you can change those plans anytime with varying medical requirements between carriers
- An insured can change to a Medicare Advantage plan during this period, switch between Medicare Advantage plans, or drop the Medicare Advantage plan and return to Original Medicare
- Part D prescription drug plans can be obtained, carriers changed or plans modified at this time
- First available effective date is also January 1, 2015