

The Health Insurance Marketplace

You are required by law to have health insurance. If you are not insured, you may face a fine.

The Health Insurance Marketplace is a website and telephone call center where you can buy health insurance and, if you are eligible, get financial assistance for your healthcare.

Who Can Buy a Plan on the Marketplace?

Any legal resident of the US can apply for a health insurance plan through the Marketplace.

What Are the Eligibility Requirements?

Anyone can buy a plan from the marketplace for full price. Depending on your income, you may qualify for financial assistance.

What is Considered Income?

To determine if you are eligible for financial assistance, the first step is to calculate your projected income for the coming year. The Marketplace determines your income eligibility based on your **Modified Adjusted Gross Income (MAGI)**. Your MAGI is a combination of the following items on your federal tax return (Form 1040):

- Adjusted Gross Income (AGI)
- Tax-exempt interest if applicable
- Foreign income if applicable
- Nontaxable Social Security Benefits if applicable

Most people do not have tax-exempt interest, foreign income, or nontaxable Social Security Benefits and will just need to consider the Adjusted Gross Income on their federal tax return. If your income is complicated, the LRRC suggests you consult with your tax professional.

What is Not Considered Income?

Anything not included in your MAGI is not considered income. For example, parental support is not counted as part of your income when determining your eligibility for financial assistance.

Is there an Asset Limit?

No. Assets do not affect eligibility.

How Do I Know if I Am Eligible for Financial Assistance?

Once you have calculated your MAGI, visit <https://www.healthcare.gov/see-plans/> and answer the questions to see if you are eligible for financial assistance.

What Other Factors Affect Eligibility?

Even if based on your income you are eligible for financial assistance, there are three important exceptions:

- If your employer offers you affordable health insurance, you are not eligible for financial assistance.
 - What if I don't want to enroll in my employer's plan? You are still not eligible.
 - What is considered an affordable plan?
An employer plan is considered affordable if the least expensive single employee plan costs less than 9.78% of your total household income.
 - What if I am looking for a couples plan and not a singles plan?
You are still not eligible for financial assistance. As long as your employer's single plan costs you less than 9.78% of your total household income, and your employer offers you the option of enrolling your family, nobody in your family is eligible for financial assistance. For example, if your employer offers to pay the full cost of your insurance premium but will not pay anything towards your spouse's premiums; neither you nor your spouse are eligible for financial assistance.
- If you are eligible for Medicaid, you are not eligible for financial assistance.
 - If you are eligible for Medicaid, you can still buy a plan on the Marketplace; however, you are not eligible for financial assistance.
- If you bought the plan outside the Marketplace, you are not eligible for financial assistance.
 - Financial assistance is available only for plans purchased through the Marketplace. If you purchase the plan elsewhere you will NOT receive financial assistance.

What Benefits and Services do I Get from the Marketplace?

- **Premium Tax Credit** is help towards paying for your monthly premiums. You have the option of receiving the credit as a tax refund at the end of the year, or as a monthly payment made directly to your insurance company.
 - **Cost Sharing Reduction** is a reduction of out of pocket medical expenses. This means that the price of the plan will remain the same; however, the government will help pay your medical expenses. (Even with a good insurance plan, you can incur expenses of as much as \$8,200 in one year if you need expensive medical care. Cost Sharing can significantly reduce those expenses.)
- △ Cost Sharing Reduction is only available if you buy a Silver plan. See the section entitled “What is the Application Process?” for details of the types of plans available.

When Do I Apply?

- You may only purchase health insurance during “Open Enrollment.” Open Enrollment for coverage beginning January 1, 2020 will be from November 1, 2019 until December 15, 2019. **Open Enrollment is the only time during the year to purchase private insurance, even through a private insurance broker.**
- During Closed Enrollment, you cannot purchase insurance or change your plan unless you qualify for a Special Enrollment Period (SEP). You qualify for an SEP if:
 - You lose your previous health coverage (but not if you voluntarily terminate your coverage).
 - You move out of your coverage area (ex. You move from NY to NJ).
 - You achieve eligible immigration status.
 - You are enrolled in a Marketplace plan and you have a change in your income that is significant enough to affect your financial assistance.
 - You give birth to a baby, and the baby is not eligible for Medicaid/CHIP.
- An SEP lasts for only 60 days from the qualifying event. The only SEP that lasts longer than 60 days is losing your health insurance. A person who loses his health insurance can buy a plan on the Marketplace from 60 days before his insurance terminates until 60 days after the termination.
- You can enroll in Medicaid at any time.

How Long Does It Take for Coverage to take Effect?

Your coverage will take effect either on the 1st day of the first month after you enroll or on the 1st day of the second month after you enroll depending on when you enrolled. If you enrolled by the 15th of the month, your coverage will take effect on the 1st day of the first month after you enroll. If you enrolled after the 15th of the month, your coverage will take effect on the 1st day of the second

month after you enroll. . For example, if you enroll on December 15th, your coverage will start January 1st but if you enroll on December 16th, your coverage will not start until February 1st.

- △ There are exceptions to this rule, including loss of previous insurance, marriage and birth. For example, if you receive a letter from Medicaid that your coverage will be terminated on December 31st, you can enroll in a plan on December 29th and coverage will take effect on January 1st.

How Do I Apply?

- Use the website at www.healthcare.gov to apply online.
- Call the Marketplace 24/7 at 1-800-318-2596 to speak to a representative who will accept your application.

At the LRRC, we are happy to assist you with submitting an application online. Please call the LRRC at 732-942-9292 to schedule an appointment.

What is the Application Process?

- After you complete an application, the Marketplace will tell you immediately what financial assistance you are eligible for.
- You will be given a list of approximately 25 different plan options. There are 3 companies on the Health Insurance Marketplace in NJ: AmeriHealth, Oscar and Horizon Blue Cross Blue Shield. Each company offers a number of plans grouped into three categories with different level of coverage: Bronze, Silver, and Gold. Bronze plans offer the least coverage and Gold plans offer the most comprehensive coverage.
- You can come to the LRRC for help choosing a plan. Call us at 732-942-9292 to schedule an appointment.

What Documents Do I Need to Apply?

The Health Insurance Marketplace has access to government records and can see any relevant information about you when you apply. If supporting documentation, such as proof of income or ID are requested, you have three months to supply the documentation. If you are applying during a Special Enrollment Period, you will likely be asked to submit documentation proving the qualifying event within 30 days.

What Are My Responsibilities While I Am Enrolled in a Marketplace Plan?

- You must pay your premium every month. If you stop paying, you can lose your coverage and you will not be able to reenroll in any plan for the rest of the year.
- You are required to notify the Marketplace of any changes in your income and family size within 30 days. To see how a change will affect the price you pay for your insurance, follow the prompts at <https://www.healthcare.gov/see-plans/>

What If I'm Not Insured?

If you are not insured for three months or longer you have to pay a fine. You will not be fined if:

- You do not file taxes
- You can demonstrate that you had a hardship that prevented you from buying insurance during Open Enrollment (ex. death of a close family member).
- The least expensive Marketplace plan costs more than 8.05% of your income.

Important Tips

- The LRRC strongly advises that you assess your health insurance needs carefully. Often, people with a Medicaid plan or a plan with a limited network realize later that they need to see specialists who do not accept their insurance. During Closed Enrollment it is too late to switch. Before choosing your plan, assess your medical needs and make sure the doctors you are currently seeing or might need to see are in-network.
- If you are a dependent on your parents plan and may need maternity coverage, call your insurance company to confirm your maternity and delivery benefits. If your insurance does not provide maternity benefits and you will not be eligible for NJ FamilyCare for a pregnancy, it is important to buy a private insurance plan during open enrollment. You will not be able to purchase insurance in middle of the year.

Contact Information

- Phone number: 1-800-318-2596
- Website: www.healthcare.gov

Frequently Asked Questions

- **I just filed my taxes and see that my income is higher than what I originally projected. What happens now?** You have to pay back some of the assistance you received. However, there is a big difference between the Premium Tax Credit and the Cost Sharing benefit. The Cost Sharing benefit is permanent and does not need to be paid back if your income increases. The only benefit that must be refunded is the Premium Tax Credit. For example, suppose you projected an income of \$40,000 and received a Premium Tax Credit of \$100 a month towards your premium and a Cost Sharing benefit that saved you \$6,000 on a two-day hospital stay. If your tax return shows an income of \$100,000 you will need to pay back \$1,200 of Premium Tax Credits that you were ineligible for. You will not have to pay back the \$6,000 you saved on your hospital stay.
- **I just found out I am pregnant and eligible for Medicaid for my pregnancy. I don't want to pay for private insurance anymore. Can I enroll in Medicaid and cancel my insurance plan?** Yes, you should submit an application to Medicaid right away. As soon as you find out that you are approved you must cancel your Marketplace plan or begin paying full price.
- **I just found out I am pregnant and eligible for Medicaid for my pregnancy. My doctor does not accept Medicaid. Can I keep my Marketplace plan?** Yes, you can choose to continue your Marketplace coverage with financial help and not enroll in Medicaid.
- **When should I call the Marketplace, and when should I call my insurance company directly?** Call the Marketplace to report changes, cancel coverage, or enroll in an insurance plan. Call your insurance company to pay your monthly premiums and if you have questions about your plan benefits.
- **I have a lot of medical needs and my husband barely goes to the doctor. Can we enroll in different plans and still get financial help?** Yes. Your financial help will be split between you and your husband.
- **I am a green card holder for less than 5 years. I am income eligible for Medicaid but do not qualify due to my immigration status. Can I buy a plan on the Marketplace?** Yes. Not only can you buy a plan on the Marketplace, but if you are not eligible for employer insurance you should be eligible for very significant financial assistance. There is a minimum amount of income that you must be earning to qualify. You can call our office to find out what that is.
- **I am enrolled in a Marketplace plan and my children have Medicaid. I have a son who needs to see a speech therapist that is not covered by Medicaid. Can my son join my Marketplace plan?** You can enroll your son in your Marketplace plan during Open Enrollment however you will not be eligible for financial help for him.
- **I am self-employed and my income fluctuates greatly. How can I project what my income will be by the end of the year?** You can base your projection on last year's income or on your business plan. The Marketplace understands that you are providing an estimate and you will not be punished if your income is different than expected. When you file taxes

at the end of the year your Premium Tax Credits will be recalculated (you never have to repay Cost Sharing).

- **Can I cancel my Marketplace plan in the middle of the year?** Yes. You must call the marketplace at least 14 days in advance.
- **I am offered affordable insurance through my employer. After reading your brochure, I see that my wife and I are not eligible for any help if I purchase a plan through the Marketplace. But my employer plan is very expensive. Can I choose to purchase a plan through the Marketplace?** Yes. You will have to pay full price. You may want to speak with a broker and see what options they have to offer.

The information included in this pamphlet is general in nature. For specific guidance about your personal situation, schedule a time to speak with an LRRC representative by calling 732-523-1789.