FAQ on Special Enrollment Periods
Addendum - May 23, 2014

1. Questions on Who is Eligible for a Special Enrollment Period

The FAQs on Special Enrollment Periods posted on April 14, 2014 listed the triggering events that make a QHP eligible individual eligible for a SEP. The following Q &A provide additional clarification on the triggering events. Unless specified below, the coverage effective dates for SEPs remain as stated in original document.

Marriage or Domestic Partnership, Birth, Adoption or Placement for Adoption, or Placement in Foster Care

1. What is the definition of Domestic Partnership?

   As defined in the NYS Department of Financial Services Model Language, Domestic Partnership is attained when a couple has obtained proof of the domestic partnership and financial interdependence through:

   - a Domestic Partner Registration, if available; or
   - An Alternative Affidavit of Domestic Partnership. This must be notarized and contain proof of cohabitation and financial interdependence. Applicants who live in cities or counties that do not offer registration should contact the health plan directly for all of the requirements the affidavit should contain.

   NYSOH is providing the above definition to clarify the definition of Domestic Partnership, but the Marketplace does not require consumers to submit proof of Domestic Partnership with their application for coverage.

Becoming a Citizen, National or Lawfully Present Individual

2. If a QHP eligible individual is a Legal Permanent Resident (LPR) and becomes a Naturalized Citizen, does the change in status make the individual eligible for a SEP?

   No, a change in status from LPR to Naturalized Citizen does not make an individual eligible for a SEP. This SEP is intended to allow individuals who were not previously QHP eligible due to immigration status to enroll once they become QHP eligible. Therefore, if the individual was eligible to enroll during Open Enrollment but chose not to do so, the individual is not eligible for this SEP.

Change in Eligibility for Financial Assistance

3. If a QHP eligible consumer was eligible for Cost Sharing Reductions (CSR) (for example, at the 73% AV) level but opted to forgo the CSR benefit by enrolling in a non-Silver plan, and then had a change in income that made the consumer eligible for a different amount of CSR benefits (for example, at the 87% CSR level), would the consumer be eligible for a SEP?

Yes, if an individual is already enrolled in a QHP and has a change in eligibility for the level of CSR benefit, the individual is eligible for a SEP.

4. If an individual is enrolled in a QHP with Advanced Premium Tax Credits (APTC) and has a change in income that changes the amount of APTC that the individual is eligible to receive, when does the new APTC amount go into effect? Is the date the same regardless of whether the individual is eligible for a SEP?

   In this instance, the individual would only be eligible for a SEP if: a) the individual was enrolled in a Full Pay QHP and became eligible for APTC; or, b) the individual was enrolled in a QHP with APTC and lost eligibility for APTC; or c) the individual was enrolled in a QHP with APTC and CSR, and became eligible for a different amount of CSR.

   If the individual was enrolled in a QHP with APTC and only became eligible for a different amount of APTC, the individual is not eligible for a SEP but could change the amount of APTC that is applied towards the monthly premium of the QHP she is enrolled in.

   Regardless of whether the individual is eligible for a SEP, if the individual is eligible for a different amount of APTC, the new APTC amount will go into effect on the first day of the following month.

Permanent Move

5. If one person in the coverage household permanently moves out of State or within the State, does the rest of the coverage household that remains at the original address in New York State get a SEP?

   Yes, if one member of the coverage household is eligible for a SEP through a permanent move, the members of the coverage household at the original address who are eligible for or enrolled in a QHP are eligible for a SEP.

Loss of Coverage

6. If an individual loses employer sponsored coverage and elects to enroll in COBRA, can the individual get a SEP to obtain coverage through the Individual Marketplace?

   Through July 1, 2014, individuals who enrolled in COBRA and who are QHP eligible, may get a SEP. Coverage will begin the first of the month after plan selection.

   In accordance with HHS, this SEP is granted as an Exceptional Circumstance and is time limited. This SEP is not available after July 1, 2014. After this date, consumers who lose employer sponsored coverage and are QHP eligible will be eligible for a SEP only if they do not enroll in COBRA when losing employer sponsored insurance or when COBRA benefits expire.

7. If an individual was enrolled in the Pre-Existing Condition Insurance Plan (PCIP) and loses PCIP coverage outside of Open Enrollment, can the individual qualify for a SEP?

Yes, individuals who lose PCIP coverage and are QHP eligible are eligible for a SEP. At the individual's request, coverage can be retroactive to May 1, 2014.

8. If an individual purchased nongroup coverage outside of the Marketplace and the plan year for that coverage ends, is the individual eligible for a SEP?

   If an individual loses nongroup coverage purchased outside the Marketplace because the plan year ends, and if the individual is QHP eligible, the individual will be eligible for a SEP.

9. If an individual loses employer sponsored coverage and the coverage was a grandfathered plan that was not ACA compliant, can the individual get a SEP?

   For QHP eligible individuals, loss of grandfathered coverage entitles the individual to a SEP.

2. What do Consumers Need to Know about Changing Plans during a SEP

SEPs and Stand Alone Dental Coverage
If an individual is eligible for a SEP to enroll in or change QHPs, the individual may also enroll in or change stand alone dental plans (SADPs).

Deductibles and Out of Pocket Maximums
If a QHP has a deductible, the deductible is the amount that the individual has to pay out of pocket for covered services before the QHP pays for claims. All QHPs have Out of Pocket Maximums, which is the maximum amount that an individual pays in out of pocket costs for covered services. Spending towards a deductible counts towards the Out of Pocket Maximum.

As stated in the April 14, 2014 FAQ, consumers who enroll in a QHP mid-year or change plans mid-year will have to meet the entire deductible and out of pocket maximum as if they were enrolled in the QHP for a full 12 months. A SEP allows, but does not require, a current enroll to change plans. We offer the following scenarios in which someone might change plans or not change plans, and the impact the decision has on deductibles and out of pocket limits.

Change in CSR benefits
If Jane is enrolled in a Silver plan with CSR benefits and becomes ineligible for CSR benefits, she can chose to stay in the same QHP without CSR benefits and carry over any spending towards the deducible and out of pocket limit. If she were to select a different Silver plan, her spending towards the deductible and out of pocket limit would not carry over to the new plan and she would start over with the deductible and out of pocket limit in the new plan.

Adding a new family member
Jane and Jaime are enrolled in a QHP. Jane gives birth to Alex, giving all three family members a SEP. This three person household has an income of more than 400% FPL. Jane and Jaime have four options to cover Alex:

1) Alex can enroll in a full cost Child Health Plus (CHP) plan
   CHP has no out of pocket costs. If Jane and Jaime stay in their existing QHP, they carry forward any spending towards their deductible and out of pocket costs. If Alex were to enroll in CHP,

Jane and Jaime could still switch to a new QHP, but they would have to meet the deductible and maximum out of pocket limit as if they were enrolled in the plan for the full 12 months. Any out of pocket expenses for covered benefits that Jane and Jaime incurred in their old plan would not carry over to the new plan.

2) Alex can enroll in a child-only QHP
If Alex enrolls in a child-only QHP partway during the plan year, she will have to meet the entire deductible and out of pocket maximum as if she were enrolled in the QHP for the full 12 months.

3) Alex can be added to Jane and Jaime's existing QHP
In this scenario, Alex's expenses would now factor into how the family meets their deductible. QHPs can have two different kinds of deductibles.

<u>Embedded Deductibles:</u>
In a plan with this type of deductible, Jane, Jaime and Alex will each have an individual deductible amount as well as a couple/family deductible amount. Once each individual meets their individual deductible, that individual starts paying co-pays or co-insurance for services. Also, when the family meets the family deductible collectively, they all will pay copays or co-insurance for services. For example:

Jane and Jaime are enrolled in a QHP with a $2000 individual deductible and $4000 couple/family deductible. Jane has paid $2000 for her services out of pocket and now will pay the copay amount for services when she goes to see a provider. Jaime has only spent $1000 in out of pocket medical expenses for the year so Jaime will need to continue to pay out of pocket until the $2000 amount is met.

Now Jane and Jaime add Alex to their plan. The deductible stays the same (the deductible amount would only change if an individual adds someone to her policy which then doubles the deductible) and now Alex and Jaime will need to meet the $2000 deductible or have the family meet the $4000 deductible together before all of their services are subject to copays. So Jane is at $2000 and is paying copays, Jaime has spent $1000 in services, and now Alex has $1000 in services which means that now the whole family has satisfied their deductible and pays copays.

<u>Family Deductibles:</u>
In a plan with this type of deductible, everyone's medical expenses go towards the deductible together and when they meet the couple/family deductible amount together, they have satisfied the deductible.

Jane and Jaime are enrolled in a QHP with a $2000 individual deductible and $4000 couple/family deductible. Jane has paid $2000 for her services out of pocket, but Jaime has only spent $1000 out of pocket. They will each continue to pay out of pocket for services until they both reach $4000 together.

Now they add Alex to their plan. Alex's expenses will also contribute to meeting the $4000 deductible and once their expenses totaled together equal $4000, they will start paying copays.

To find out if your deductible is an embedded or family deductible, you can contact your health plan.

4) Jane, Jaime and Alex enroll in a new QHP.
   If all three family members enroll in a new QHP during the plan year, they all have to meet the deductible and out of pocket limit as if they were enrolled in the plan for the full 12 months. Any out of pocket expenses for covered benefits that Jane and Jaime incurred in their old plan would not carry over to the new plan.

SEPs and the Small Business Marketplace

Do these SEP rules apply to the Small Business Marketplace?

No, these particular ruled SEP rules apply only to QHP eligible individuals in the Individual Marketplace. Rules for the Small Business Marketplace can be found in the NYS Department of Financial Service Model Contract Language for "Group – Who is Covered."