

Health Insurance Webinar Series:

The Tough Stuff:

The Impact of Late Enrollment, Penalties and Life Changing Events on Your Health Insurance Coverage



# Enrollment Guidelines/Deadlines

Medigap/Supplemental

Medicare Part B

ACA

Employer Affiliated Plans

COBRA

# Exceptions to Enrollment Periods

- Medicare Part B
  - A Special Enrollment Period (SEP) allows you to enroll in Medicare Part B outside of the Initial Enrollment Period (IEP) or the General Enrollment Period (GEP).
  - You must meet specific eligibility criteria to qualify for an SEP:
    - Must have Medicare due to age or disability.
    - When you were first eligible did you enroll in Medicare Part B or did you have an employer group health plan based on YOUR current employment or the current employment of your spouse.
    - Have you been CONTINUOUSLY covered by Part B or the group health plan since you became eligible for Medicare with no more than 8 consecutive months of lapses in coverage.
- Medigap/Supplemental Plans
  - Guaranteed Issue Rights/Medigap protections.
  - You can buy a plan at ANY time of year, however you will have no protections from these plans being more expensive due to your medical status/pre-existing conditions.

# Exceptions to Enrollment Periods:

- ACA
  - Can occur at any time during the year outside of open enrollment.
  - You qualify for a Special Enrollment Period if you've had certain life events, including losing health coverage, moving, getting married, having a baby, or adopting a child.
  - If you have COBRA coverage and you want to change to an ACA plan this does not qualify you for a Special Enrollment Period.
  - If you LOSE COBRA coverage you MAY be eligible for a Special Enrollment Period.
- Employer Affiliated Plans
  - Varies by employer but typically are referred to as "life changing events," and include marriage, birth/adoption of a child.
  - Ask you employer for a specific list of qualifying life changing events.

# COBRA Continuation

- The amount of time you are eligible for COBRA depends on the qualifying event.
- However, if you became eligible for COBRA due to loss of job and THEN became eligible for disability you MUST inform the COBRA administrators of the change in status in order for COBRA coverage to be extended to 24 months.

# Penalties

## Medicare Part B

- If you don't sign up for Part B when you're first eligible, you'll have to pay a late enrollment penalty for as long as you have Part B.
- Your monthly premium for Part B may go up 10% for each full 12-month period that you could have had Part B, but didn't sign up for it.
- Also, you may have to wait until the General Enrollment Period (from January 1 to March 31) to enroll in Part B, and coverage will start July 1 of that year.

## Medicare Part D

- Medicare calculates the penalty by multiplying **1%** of the "national base beneficiary premium" (\$34.10 in 2016) times the number of full, uncovered months you didn't have Part D or creditable coverage.
- The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium.

# ACA: The Tax Penalty for Not Having Insurance Coverage

- For tax year 2016, the penalty will rise to 2.5% of your total household adjusted gross income, or **\$695** per adult and **\$347.50** per child, to a maximum of **\$2,085**.
- The penalty can never exceed the national average cost for a Bronze plan.
- For tax year 2017 and beyond, the percentage option will remain at 2.5%, but the flat fee will be adjusted for inflation.



# Takeaways

- Enroll during initial coverage periods if possible.
- Consider your risk tolerance and risk aversion when making decisions about delaying enrollment.
- Late enrollment penalties with Medicare part B and part D can last for the remainder of your life!
- Pay attention to open enrollment periods.
- Review your insurance coverage and potential needs annually regardless of what kind of coverage you have.

# Other webinar in this series

## [www.oncolink.org/insurance](http://www.oncolink.org/insurance)

### Updated for 2016:

- Medicare A and B
- Medicare Part D
- Medigap Plans
- The Affordable Care Act
- Medicaid
- Health Insurance 101
- COBRA

### New for 2016:

- Help is Available: Financial Assistance Overview



# For More Information

- Christina Bach, MSW.MBE, LCSW, OSW-C  
Christina.bach@uphs.upenn.edu

