

In the Spotlight: What's New for Annual Enrollment Period 2015

Last year's Annual Enrollment Period marked [a new era](#) in health coverage availability. With the advent of the Health Insurance Marketplaces (Marketplaces) and new consumer protections came new challenges and frustrations felt by many health care consumers, insurers and providers alike. The federal government will put in place several changes for 2015 Annual Enrollment Period (AEP), which will last from **November 15, 2014-February 15, 2015**, to improve the way individuals and small businesses shop and enroll in 2015 coverage. This *In the Spotlight* will address changes that individuals and small businesses can expect for AEP 2015. Note that individuals and small businesses may have the opportunity to renew transitional or grandfathered coverage in 2015, which is subject to fewer requirements than Affordable Care Act (ACA)-compliant coverage.

First-Time Individual Shoppers

Individuals' experience shopping and enrolling in coverage through the Federal Marketplace this year will differ from the experience last year. Availability of new health plans and advance premium tax credit (APTC) amounts may be the primary difference from the experience of individuals last year. Below is a description of some of the changes to the Marketplace that individuals will see for the first time in AEP 2015:

- **New Qualified Health Plans.** Each year, insurers submit an application to the state or Federal Marketplace, as applicable, for their plans to become [qualified health plans](#) (QHP) to be sold on the Marketplace. In order to become a QHP, each insurer must ensure its plans meet specific requirements, such as providing [essential health benefits](#), meeting defined cost-sharing levels, and complying with rating restrictions.¹ The coverage year for each plan follows the calendar year², but new qualified health plans are marketed and sold for the first time during AEP.
- **Federal Poverty Limits.** Consumers who apply for an APTC will be affected by the [new federal poverty limit](#) (FPL) measurements. FPL is recalibrated each year by adjusting the income dollar amount that represents 100% FPL to keep up with variation in inflation and national income. The APTC-eligible population is defined by FPL, so changes to FPL affect individuals' eligibility each year. APTCs are available on a sliding scale for individuals whose [income falls between 100%-400% of FPL](#).³
- **2015 Advanced Premium Tax Credits.** As mentioned above, changes to FPL will affect the 2015 APTC amounts that individuals are eligible for during the year. The 2015 APTC amount for which an individual will be eligible is also affected by income, family size and the premium rate for a benchmark plan sold on the Marketplace.⁴ At the very least, FPL and premium rates for the benchmark plan will change each year, making it very likely that individuals will qualify for a different APTC dollar amount each year.
- **Medicaid eligibility.** In North Carolina, individuals who want to determine their eligibility for Medicaid or an APTC are encouraged to visit the Federal Marketplace to complete an application. The Marketplace will

¹ 42 USC 18021(a).

² Exclusions apply. If individuals are eligible and enroll during a Special Enrollment Period, coverage will begin once the eligible individual enrolls and will likely end on the last day of the calendar year.

³ 26 USC 36. Sec. 36B(c).

⁴ 26 USC 36. Sec 36B(a). The benchmark plan is the second lowest-cost silver plan sold on the Marketplace.

provide a state-specific screening and will hand off the application to the state for final verification if the individual is likely to be eligible.

Individuals Renewing Coverage

AEP 2015 is the first time individuals can renew Marketplace coverage and redetermine APTC. While the guaranteed issue provision of the ACA requires insurers to renew coverage for all individuals,⁵ individuals have the opportunity to switch to a new plan during AEP. Individuals should still plan to recalculate their APTC to verify eligibility and amounts for 2015. Here are a few new concepts for individuals to consider while navigating the renewal process:

- **Plan Continuation.** The ACA's guaranteed renewability requirements mandate that insurers renew coverage for individuals in non-grandfathered plans. If the Marketplace plan that an individual purchased in 2014 is discontinued in 2015, insurers must renew coverage on a similar plan for the next coverage year based on a federally-defined decision hierarchy:
 - If the 2014 plan is available, that coverage is renewed
 - If the 2014 plan is no longer available, insurers renew coverage in another plan of the same product at the same metal level as the current plan;
 - If the same metal level is unavailable, insurers renew coverage in another plan of the same product at one metal level higher or lower than the current plan;
 - If a comparable metal level is unavailable, insurers renew coverage in a plan of the same product at any metal level.⁶

If a plan ceases operations for 2015, insurers would send a discontinuation notice to individuals enrolled in that plan with information about their new plan option for coverage continuation.

- **Active Renewal.** At any time during AEP, an individual may select a new plan from the Marketplace. If a new plan is not selected, the individual will automatically be placed in the same or comparable plan based on the decision hierarchy described above. To select a new plan, individuals must update their coverage by December 15, 2014 in order for the new coverage to be effective on January 1, 2015.
- **APTC Redetermination.** In order for an individual's 2014 Marketplace APTC to be renewed into 2015, individuals must have "checked" an optional box on their 2014 Marketplace application granting the Marketplace permission to re-determine or carry forward APTCs. Individuals who did not check the box will not have their APTC renewed, meaning their APTC will end on December 31, 2014 unless they take action. Regardless, renewed APTCs will not be automatically "redetermined" to reflect the updated 2015 APTC rate. As described above, an individual's APTC amount will likely change from 2014 to 2015 due to factors such as FPL and premium rate changes of the benchmark plan. Individuals with a 2014 APTC are encouraged to redetermine their APTC for 2015 by visiting the Federal Marketplace directly or by connecting to it through their issuer.⁷

⁵ Public Health Service Act Sec. 2703(a). Exclusions apply. If an insurer chooses to discontinue a product, must provide adequate notice to individuals.

⁶ 42 CFR 155.335(j).

⁷ The federal government is responsible for making eligibility determinations for APTCs.

- **Renewal Notices.** Prior to AEP, individuals who enrolled through the Marketplace may receive communications from the Federal Marketplace and their insurer describing their 2015 renewal options. Renewal notices must contain information about new premiums for 2015, individual member responsibility based on 2014 APTC received, and any significant changes to plan coverage for 2015. Renewal notices for Marketplace coverage must be received by the individual prior to the start of AEP 2015, or November 14, 2014.⁸

Small Business SHOP Coverage

Small businesses that are purchasing or renewing coverage through the Federally Facilitated Small Business Health Options Program (FF-SHOP) will see some changes starting with AEP 2015. Below are some of the new features small businesses will experience:

- **New FF-SHOP portal.** Beginning November 15, 2014, small businesses must enroll directly through the FF-SHOP online portal to purchase or renew FF-SHOP coverage. Agents and brokers will support small businesses through the portal.
- **Payment Mechanisms.** Employers will be able to make monthly payments through the FF-SHOP via electronic file transfer (EFT) or mailed checks. Credit card payments will not be accepted.

BCBSNC Views

BCBSNC is committed to ensuring that North Carolinians can access affordable health insurance to meet their families' needs. In order to do that, BCBSNC aims to serve as a resource to help consumers understand changes to health care and insurance caused by the ACA, and understand their health insurance plan options. BCBSNC will offer a broad set of plan options in 2015 including ACA-compliant, transitional and grandfathered coverage to meet consumers' diverse needs. BCBSNC will not discontinue any 2014 Marketplace plans in 2015.

For More Information:

BCBSNC Blue Map health coverage options resource website:

http://www.bcsnc.com/content/campaigns/bluemap/index.htm?cmpid=bluemap_rd1

Federal Marketplace apply and enroll website:

<https://www.healthcare.gov/apply-and-enroll/>

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⁸ US Department of Health and Human Services. "Form and Manner of Notices When Discontinuing or Renewing a Product in the Group or Individual Market." Insurance Standards Bulletin Series. 2 Sept. 2014.