

## **Hardship Exemptions and Catastrophic Plans**

October 2018

### **Overview**

Hardships are financial or domestic circumstances (e.g., homelessness, utility shut-offs, natural disasters or similar circumstances) that cause significant and unexpected increases in essential expenses, which keeps a customer from getting health insurance. If the customer qualifies for a hardship exemption, the customer does not have to pay a fee for the months they were not covered. For detailed information on exemptions, visit <https://www.healthcare.gov/health-coverage-exemptions/hardship-exemptions/>

Catastrophic plans have low monthly premiums and very high deductibles. Premium subsidies are not available for catastrophic plans (nor are cost-sharing subsidies).

### **Eligibility**

To qualify for a catastrophic plan, applicants must be under the age of 30 OR get a "hardship exemption" from the Marketplace. Note: applicants must apply each year for an exemption.

### **How to apply**

In order to apply or change to a catastrophic plan, the following steps need to be followed:

- 1) Apply with the Marketplace for a hardship exemption.
- 2) Obtain an Exemption Certificate Number (ECN) from the Marketplace.  
This is a number the Marketplace provides when a customer qualifies for an exemption. The Marketplace will mail a notice of the exemption eligibility result to the applicant. The notice will include the ECN.
- 3) Submit ([via the case management portal](#)) a Blue Cross and Blue Shield of North Carolina (Blue Cross NC) paper application with the ECN clearly printed on top of the application. Include the letter from the Marketplace or attach a cover letter indicating the application is for a catastrophic plan.
- 4) This can be done for either a new policy or change to an existing policy.

### **Renewing a catastrophic plan**

Customers who want to keep their catastrophic plan must re-certify for a hardship exemption each year during open enrollment. Blue Cross NC sends a notice to anyone who is 30 years or older enrolled on a catastrophic plan indicating they are not eligible to remain on the plan. This letter advises of options including the plan we are mapping them to.

To continue with the catastrophic plan, the customer must complete a change application and

provide proof of eligibility from the Marketplace. The change application and exemption form must be received by Blue Cross NC no later than 12/15 to receive a 1/1 effective date.

Message in the renewal notice:

Dear [First Name] [Last Name],

Thank you for choosing Blue Cross and Blue Shield of North Carolina (Blue Cross NC) for your health plan. Below is some important information about your 2019 policy.

Because you or your spouse are 30 years old or older, you are no longer eligible for your current catastrophic health plan. Therefore, we have enrolled you and any others on your plan in our lowest cost Bronze plan for 2019.

Your deductible and out-of-pocket maximums will be different next year. Please read the enclosed federally mandated notice in this package carefully for details about your 2019 benefits and monthly premium.

**Other Options for 2019**

You can try to keep your current catastrophic plan for 2018. You will have to re-apply for a hardship through the Health Insurance Marketplace at [healthcare.gov](http://healthcare.gov) by December 15, 2018.

If you don't want the Blue Cross NC Bronze plan, you can shop for a new plan for 2019. You will need to do so before December 15 for a January 1, 2019 start date. You will not be able to change your plan after December 15, 2018 unless you have a qualifying life event.

You can see your choices and compare plans on [BlueConnectNC.com](http://BlueConnectNC.com).

**Maintenance on a catastrophic plan**

Customers must notify the Marketplace if an income change occurs during the year. This could change their eligibility for a hardship and subsequently provide an SEP (Special Enrollment Period) to select a new plan.

If a customer has access to group coverage, they do not have to cancel their catastrophic plan. Customers can have a group and individual plan at the same time.