

# Health Law and Policy Update:

## October 11, 2013

### Open enrollment day 11

Individuals and small businesses can now shop for health insurance through [Connect for Health Colorado](#), Colorado's new health insurance marketplace. Coverage begins January 1, 2014.

### This week's updates:

- [Obamacare Frequently Asked Questions: Part II](#)
- [Uninsured individuals must enroll by February 15, 2014 to avoid penalty](#)
- [Federal lawmakers consider repeal of key provision funding Obamacare](#)
- [Celebrities encourage Americans to #GetCovered](#)
- [Questions about health care? CCLP can help!](#)

### Obamacare Frequently Asked Questions: Part II

As Coloradans continue to shop for and purchase health insurance through [Connect for Health Colorado](#), CCLP continues to answer questions from individuals and families who want to learn more about the health reform law. Below, we continue our series answering some of the most frequently asked questions about the new law.

*When do I need to have coverage?*

By January 1, 2014. However, people can have a lapse in coverage during a calendar year of less than three consecutive months and still be in compliance with the requirement to have health insurance. Therefore, if you factor in the allowance for a gap in coverage, the latest date by which you must have coverage is March 31st. In order to get coverage by March 31st, you must apply for insurance by [February 15th](#).

*How do I get help applying for coverage?*

[Connect for Health Colorado](#)'s website has information about Health Coverage Guides and Insurance brokers and agents who can help you. Their customer service center can also help you.

You can reach Customer Service at 855-752-6749 (855 PLANS 4 YOU). You can find a Health Coverage Guide by county by visiting [Connect for Health Colorado](#) on the [web](#). You can also search for an agent/broker by [zip code](#).

*I have been offered coverage through my employer. Can I shop for coverage through the new marketplace, [Connect for Health Colorado](#)?*

Yes, but not everyone is eligible for financial assistance. If you have been offered health insurance through an employer, you are not eligible for tax credits to purchase health insurance through the marketplace unless your employer sponsored health

insurance is considered unaffordable. Employer sponsored health insurance is considered affordable if an employee's contribution to his or her premium for individual coverage is less than 9.5 percent of his or her income. Workers and their families who have unaffordable employer sponsored coverage and have household incomes between 100 and 400 percent of federal poverty level are eligible for tax credits when they purchase insurance through [Connect for Health Colorado](#).

*If I were to purchase health individual coverage through my employer, my contribution to the premium would be less than 9.5 percent of my income. But when I purchase coverage for my family, our contribution exceeds 9.5 percent of our income. Are we eligible for tax credits through Connect for Health Colorado?*

No. You are caught in what is referred to as the "family glitch." Under the health reform law, the affordability of employer sponsored health insurance is based upon a worker's contribution to individual coverage. If a worker has a family, the added cost of the family premium is not accounted for in determining whether the coverage is affordable. The [Center on Budget and Policy Priorities](#) estimates that 3.9 million children and other dependents will lack access to affordable insurance because of this glitch in the law.

### **Uninsured individuals must enroll by February 15, 2014 to avoid penalty**

The [Washington Post reported](#) this week that individuals must enroll in health insurance coverage through the new insurance marketplaces no later than February 15, 2014 to avoid a penalty for not complying with the requirement to have insurance. As CCLP has written in previous updates, all Americans must have health insurance coverage (including commercial insurance, Medicare, or Medicaid) beginning January 1, 2014, or potentially face a tax penalty upon submission of 2014 tax returns. In 2014, the penalty cannot exceed \$95 for an individual or 1 percent of household income, whichever is greater. The penalty increases in 2016 to as much as \$695 per adult and \$347 per child (up to \$2,085 for a family) or 2.5 percent of family income, whichever is greater.

Individuals may seek an exemption from the requirement to obtain coverage if, among other reasons, the individual experienced a gap in coverage for less than three consecutive months. This means that to avoid the penalty, individuals uninsured January 1 must be covered no later than March 31. Coincidentally, the open enrollment period to enroll in coverage through the new insurance marketplaces lasts from October 1, 2013 to March 31, 2014. However, because insurance plans typically begin coverage on the first of the month, individuals must be covered on March 1 to be covered on March 31, which means they must submit their application no later than February 15. Individuals who submit their application between February 16 - March 15 would not be covered until April 1, and would likely face a tax penalty when they

submit their 2014 tax return. The penalty will be pro-rated to reflect the number of months an individual actually went without coverage.

In addition to the exemption for a gap in coverage less than three months, other exemptions exist, including if the individual is incarcerated, has a religious objection, is a member of an American Indian tribe, or would experience financial hardship. These exemptions may be applied for either through the insurance marketplace or when filing taxes.

For more information, please see this question and answer document from the [US Internal Revenue Service](#) regarding the mandate to obtain health coverage.

### **Federal lawmakers consider repeal of key provision funding Obamacare**

News reports over the last week indicate that, as part of an agreement to reopen the federal government and raise the debt limit, federal lawmakers are considering repealing a 2.3 percent excise tax on medical devices. This key provision of the Affordable Care Act raises an estimated \$29 million over the next ten years, helping to fund important coverage expansions in the law.

Both houses of Congress have separately voted to eliminate this tax previously and Republicans and many Democrats have supported its repeal. In a symbolic vote earlier this year, the Senate voted 79-20 in favor of repealing the tax. The House passed a separate bill that would have eliminated the tax last June. Both Senator Bennet and Senator Udall voted to repeal the device tax earlier this year.

There has been a lot of misinformation about the Medical Device Tax. One of the best pieces about the tax which explains why repeal is not in the interest of consumers is by the [Center on Budget Policy Priorities](#).

The Affordable Care Act depends on a carefully constructed package of spending cuts and revenue raisers to help reform our health care system and get more americans into coverage. Every piece of the package is important to the whole, and exempting one piece of the health care industry from the provisions of the law sets a dangerous precedent.

Read more from the [Center on Budget and Policy Priorities](#) and the [Washington Post](#).

### **Celebrities encourage Americans to #GetCovered**

Jennifer Hudson, Lady Gaga, Olivia Wilde, and other celebrities are taking to social media and the web to encourage Americans to sign up for health insurance. Using the Twitter hashtag #GetCovered, celebrities like Amy Poehler and Taye Diggs are urging

Americans to shop for and purchase health insurance through the new health insurance marketplaces, like Connect for Health Colorado.

The comedy website Funny or Die has created skits highlighting important provisions of the law. Witness [Jennifer Hudson](#) struggle to find a real scandal now that Obamacare improves healthcare for Americans and see how [Olivia Wilde](#) performs on a unique Obamacare quiz.

**Questions about health care? CCLP can help!**

CCLP is available to speak to groups of all sizes about health reform, health insurance, Medicaid, and other health issues important to Coloradans. Contact Kyle Brown ([kbrown@cclponline.org](mailto:kbrown@cclponline.org); 303.573.5669 x 304) for more information.