

2017

OPEN ENROLLMENT IS COMING SOON

By Ed Gaelick, CLU, ChFC

The **Affordable Care Act** (ACA), more commonly known as Obamacare, requires virtually everyone to have health insurance. However, there are only certain times when insurance may be initially obtained or changes may be made to existing coverage.

The most common time is during the Annual Open Enrollment Period when there are no restrictions on who may enroll, what plan design to select or which carrier to choose. This is your opportunity to research options for the coverage that best fits your needs and/or budget for the upcoming year.

Note that if you choose not have coverage during 2017, you may have to pay a penalty. In 2016, this amount was the greater of 2.5 percent of your household income or \$695 per adult/\$347.50 per child. For 2017 and beyond, the percentage of income penalty will remain unchanged at 2.5 percent; however, the flat fee will be adjusted annually for inflation. (Official amounts for 2017 were not released as of this article's submission.) Learn more at www.healthcare.gov.

Individuals and Families

The 2017 Open Enrollment begins on November 1, 2016, and ends on January 31, 2017. January 1, 2017, is the earliest date that your new coverage can start. Critical deadlines are:

- November 1, 2016: Open Enrollment begins. Apply for or change your coverage.
- December 15, 2016: Deadline in order to have coverage that begins on January 1, 2017.
- December 31, 2016: Coverage ends for 2015 plans. You will be auto-renewed if you don't change your plan.
- January 15, 2017: Deadline in order to have coverage that begins on February 1, 2017.
- January 31, 2017: Deadline in order to have coverage that begins on March 1, 2017. This is the last day you can apply for 2017 coverage before the end of Open Enrollment.

If you do not enroll in a plan during this time, you may not be able to obtain insurance until next year's Open Enrollment for a January 1, 2018, effective date.

Coverage may be purchased through a Marketplace (aka On-Exchange) or directly from a carrier (aka Off-Exchange). Insurance brokers can help you with both options. Subsidies for qualified persons are only available On-Exchange. If you are not eligible for a subsidy, you will most likely have a wider array of options Off-Exchange.

Small Businesses

While it is not required for companies with less than 50 full time equivalent employees to offer company sponsored group health coverage, many recognize that by doing so they can attract and retain good employees which lowers turnover, motivates employees to be more productive, creates higher morale in the workplace and secures greater loyalty; all desirable goals for a business to be successful. That being said, many State laws allow health insurers to refuse coverage to groups who do not meet certain employee participation and/or employer contribution requirements which can present challenges in establishing or maintaining a plan.

During the Annual Employer Open Enrollment, participation and contributions requirements are waived. Assuming that all other eligibility criteria have been met, this little known provision under the ACA mandates health insurance carriers to allow small group employers the opportunity to purchase a policy once a year even if they do not meet the minimum participation and/or employer contribution requirements.

The 2017 Open Enrollment starts on November 15, 2016, and ends on December 15, 2016, (no exceptions). Your company's new coverage will start on January 1, 2017.

Again, coverage may be purchased through a Small Business Health Options Program (SHOP) Marketplace (aka On-Exchange) or directly from a carrier (aka Off-Exchange). Insurance brokers can help you with both options. Tax credits for qualified businesses are only available On-Exchange. Please note that an employer may claim the credit for no more than two-consecutive

taxable years. If you are not eligible for a credit, you will most likely have a wider array of options Off-Exchange.

So what happens if you miss the Open Enrollment Period?

Individuals and families will need to wait until the following year's Open Enrollment Period unless they have a "triggering event". Occasions such as an involuntary loss of minimum essential coverage, moving to a new service area, getting married as well as having or adopting a child would qualify you for a Special Enrollment opportunity. After 60 days your Special Enrollment Period will end and you may not be able to enroll, so you should take action right away.

Businesses can implement a plan at any time throughout the year as long as all of the carriers' requirements, including participation and contributions, are met.

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Navigating all of the various insurance rules and regulations by yourself can be overwhelming. There are State and Federal guidelines to consider as well as how the health insurers' are interpreting and implementing these guidelines. It is important to work with a professional you trust who will present all of your options and recommend the best alternative for your specific situation.

Ed Gaelick, CLU, ChFC, established PSI Consultants, LLC, where he specializes in company sponsored employee benefits, business planning and personal insurance. Throughout his career, Ed has received many of the highest professional honors awarded in the insurance industry. His dedication, integrity and fortitude have earned him great respect from his clients, staff and peers.

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