

## **GUARANTEED AVAILABILITY OF COVERAGE**

### **FAQ's**

**1. I keep hearing about health insurance exchanges, but what does that really mean?**

A. A health insurance marketplace – or health insurance exchange – is a platform/portal that consumers can use to purchase private individual and family health insurance plans and receive income-based subsidies to make coverage and care more affordable.

Each state has an official health insurance marketplace, operated either by the state, the federal government, or both. In most states, HealthCare.gov serves as the marketplace enrollment platform, but some states run their own platforms.

Mississippi uses Healthcare.gov.

**2. Do I have to buy my health insurance through a marketplace?**

A. You are not required to buy coverage through the marketplace. There is no longer a federal penalty for not having health coverage. But if you don't buy your coverage through the exchange, you cannot obtain a premium tax credit or cost-sharing reduction, even if you'd otherwise be eligible for them (and most people are eligible for subsidies). This is one of the primary reasons people shop in the marketplace, as full-price individual health insurance premiums would simply be too costly for most people.

**3. Who is eligible to use health insurance marketplaces?**

A. With the exception of people who are enrolled in Medicare coverage, virtually all Americans are eligible to use Healthcare.gov. However, the marketplaces were designed to provide coverage for individuals and families who

were either uninsured or already buying their own health insurance. This includes people who are self-employed, people who are employed by a small business that doesn't offer health benefits, and people who have retired before age 65 and are therefore too young to be covered by Medicare.

#### **4. How do I get coverage through Healthcare.gov?**

A. When applying during open enrollment times:

Use [www.HealthCare.gov](http://www.HealthCare.gov) to apply online. This is the fastest way to apply.

Log in (or create an account) to get started.

Find help in your area. Enter your ZIP code for a list of local people and organizations that can help you apply for coverage.

Use a certified enrollment partner.

Enroll over the phone.

Fill out and mail in a paper application.

Each state's Marketplace has its own enrollment instructions. During the Marketplace open enrollment period each year, you can choose a plan for the first time, continue in your current plan, or make changes to your current insurance plan.

#### **5. When is the Open Enrollment period and how does it work?**

A. An open enrollment period is a window of time that happens once a year — typically in the fall — when you can sign up for health insurance, adjust your current plan or cancel your plan. It's usually limited to a few weeks. If you miss it, you may have to wait until the next open enrollment period to make any changes.

If you apply for health insurance through your job, through Medicare, or through the Affordable Care Act (ACA) marketplace, you will have an open enrollment period.

- Individual & Family ACA Marketplace plans: Open enrollment is November 1 through January 15, in most states
- Health insurance through work: Enrollment periods are set by your employer (typically in fall)
- Medicare: Annual Enrollment Period (AEP) is October 15 to December 7 every year. Initial Enrollment Period (IEP) is around age 65

**6. What companies are a part of the Exchange in Mississippi?**

- A. Molina
- B. Ambetter/Magnolia
- C. Cigna
- D. Vantage Health Plan of Mississippi
- E. UnitedHealthcare (new for 2023, after previously leaving the market at the end of 2016)

All Mississippi residents have access to plans from at least three insurers for 2023, but check Healthcare.gov to determine what policies are available nearest you.

**7. How do I qualify for a subsidy?**

- A. You can qualify for healthcare subsidies if you make up to four times the Federal Poverty Level, which is about \$47,000 for an individual and \$97,000 for a family of four. If you're an individual who makes about \$29,000 or less, or a family of four that makes about \$60,000 or less, you may qualify for both subsidies. Thanks to the American Rescue Plan and

Inflation Reduction Act, in 2023, individuals with income up to 150% of the Federal Poverty Level (FPL) can receive a financial subsidy that will cover all or a majority of their monthly premium cost for health insurance.

- B. Almost all of Mississippi's exchange enrollees — 97% — were receiving premium subsidies as of early 2023, versus about 90% nationwide. This is unsurprising, since subsidy eligibility is based on income, and Mississippi has the lowest average household income in the US.

## **8. I still need coverage for 2023, what can I do?**

- A. Open Enrollment is over, but you can still get 2023 health insurance two ways:
  1. If you qualify for a Special Enrollment Period due to a life event like losing other coverage, getting married, having a baby, or based on estimated household income.
  2. If you qualify for Medicaid or the Children's Health Insurance Program (CHIP). You can apply for these programs any time. Visit [www.access.ms.gov](http://www.access.ms.gov) to learn more or to apply for benefits.

## **9. What is the ACA Guaranteed Issue Rule?**

- A. Guaranteed issue in health insurance refers to a circumstance in which a healthcare policy is offered to any and all eligible applicants regardless of health status. Prior to 2014, individual market health insurance (the kind you buy on your own, rather than obtaining from an employer) was typically not guaranteed issue. Instead, insurers in most states based eligibility on an applicant's medical history. But that changed when the bulk of the Affordable Care Act's provisions were implemented in 2014.

**10. What is meant by Guaranteed Availability of Coverage?**

A. Guaranteed Availability of Coverage refers to 45 CFR § 147.104, which states that any health insurance issuer that offers health insurance coverage in the individual, small group, or large group market in a State must offer to any individual or employer in the State all products that are approved for sale in the applicable market, and must accept any individual or employer that applies for any of those products.

**11. How does the Guaranteed Issue Rule help policyholders?**

A. Guaranteed issue rules make it easier for individuals with pre-existing medical issues to obtain health insurance, as their medical history is not taken into consideration.

**12. Since it is called “Guaranteed Availability,” can I purchase coverage at any time throughout the year?**

A. Although individual/family health coverage is now guaranteed issue, coverage is still only available during the annual open enrollment period (November 1 to January 15) or during a special enrollment period triggered by a qualifying life event. Prior to the ACA, individual/family coverage could be purchased anytime.

**13. What are considered a “qualifying life events”?**

- a. Involuntary loss of coverage
- b. Individual plan renewing outside of the regular open enrollment
- c. Becoming a dependent or gaining a dependent

- d. Marriage
- e. Divorce (in some state-run exchanges)
- f. Becoming a United States citizen or lawfully present resident
- g. A permanent move
- h. An error or problem with enrollment
- i. Employer-sponsored plan becomes unaffordable or stops providing minimum value
- j. An income increase that moves you out of the coverage gap
- k. Gaining access to an Individual Coverage HRA
- l. An income or circumstance change that makes you newly eligible (or ineligible) for subsidies or CSR
- m. Various exceptional circumstances

**14. What are the responsibilities of insurers under Guaranteed Availability of Coverage?**

A. ***Enrollment periods.*** A health insurance issuer may restrict enrollment in health insurance coverage to open or special enrollment periods.

(1) *Open enrollment periods* —

(i) *Group market.*

(A) a health insurance issuer in the group market must allow an employer to purchase health insurance coverage for a group health plan at any point during the year.

(B) In the case of a group health plan in the small group market that cannot comply with employer contribution or group participation rules for the offering of health insurance coverage, as allowed under applicable State law, and in the case of a QHP offered in the SHOP, a health insurance issuer may restrict the availability of coverage to an annual enrollment

period that begins November 15 and extends through December 15 of each calendar year.

(ii) *Individual market.* A health insurance issuer in the individual market must allow an individual to purchase health insurance coverage during the initial and annual open enrollment periods. Coverage must become effective consistent with the dates described in statute.

(2) *Limited open enrollment periods.*

(i) A health insurance issuer in the individual market must provide a limited open enrollment period for triggering events.

(3) *Special enrollment periods.* A health insurance issuer in the group and individual market must establish special enrollment periods for qualifying events as defined under section 603 of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. These special enrollment periods are in addition to any other special enrollment periods that are required under federal and state law.

(4) *Length of enrollment periods.*

(i) In the group market, enrollees must be provided 30 calendar days after the date of the qualifying event to elect coverage.

(ii) In the individual market, individuals must be provided 60 calendar days after the date of an event to elect coverage, as well as 60 calendar days before certain triggering events.

(5) *Effective date of coverage for limited open and special enrollment periods.* With respect to an election made, coverage must become effective consistent with the dates prescribed by law.

## **15. What are the biggest barriers to Guaranteed Availability of Coverage?**

A. One of the most important barriers to accessing care in many rural communities is provider availability. There is a discrepancy in per capita providers, particularly for physicians. Many rural areas experience

persistent provider shortages, particularly for certain types of specialists and for primary care providers. Certain rural areas have also been significantly impacted by the overdose crisis and, when combined with a shortage of behavioral health specialists in many rural areas, residents in these areas may face significant barriers to receiving treatment for substance use disorder.

- B. A second issue is the decline in the number of rural hospitals and concerns about maintaining hospital services in rural areas. Rural hospitals can face particular challenges to financial viability, such as small populations and low patient volumes and serving older and sicker patients as well as patients who are more likely to be low-income, more likely to be covered by public insurance rather than private insurance, and more likely to be uninsured.

**16. When does Guaranteed Availability NOT apply to coverage?**

- A. The general rules (concerning application of the guaranteed availability requirements) do not necessarily apply to health insurance coverage offered in connection with group health plans that have fewer than two participants that are current employees.
- B. The guaranteed availability requirements do not apply to group health plans (and the coverage offered in connection with those). Generally, coverage issued in connection with groups of one is considered individual market coverage.



**17. Is there any coverage that is exempt from the ACA rules?**

- A.
  1. Short-term health insurance: This type of health insurance is designed to cover you for a short period of time (usually three months or less).
  2. Health care sharing ministries: This is a type of religious-based health insurance where members share in the cost of medical bills.
  3. Grandfathered plans: The ACA does not apply to health plans that were purchased before January 1, 2014.

**18. I just lost my job and cannot afford to keep up my current coverage, what should I do now?**

- A. Go to [www.healthcare.gov](http://www.healthcare.gov), as this is considered a qualifying event and should make you eligible for a Special Enrollment Period.

**19. What happens to my health insurance coverage if I move out of state?**

- A. If you move to a different state, you will likely need to get new health insurance. Most health coverage plans are tied to a specific state, so your current plan won't cover you in your new area. If you have employer-based health coverage, find out if your plan is covered in your new state of residence. If you're moving to a state that's outside of your plan's service area, you may need to find a new health plan. You can enroll in a new plan without a break in coverage by reporting your out of state move to the Marketplace as soon as possible.

**20. What are the benefits of Guaranteed Issue Life Insurance?**

- A. The main selling point of Guaranteed Issue Life Insurance is that you cannot be turned down for it. It's also surprisingly convenient compared to

most other types of life insurance: There's a simple application that doesn't ask any medical questions.

So what's not to like? High costs, low coverage amounts and what are called "graded death benefits."

## **21. Who is Guaranteed Issue Life Good For?**

A. Guaranteed Issue Life Insurance can provide life insurance to certain people who need life insurance but don't have any other options. Perhaps they want to provide money for heirs to pay for a funeral or final expenses. Or perhaps they want to provide a small legacy for children or grandchildren. This type of life insurance can help people who:

- Have medical conditions that would make it impossible or unaffordable to buy other types of life insurance such as whole life insurance
- Have limited budgets for life insurance
- Are OK with having only a small amount of life insurance coverage, such as \$25,000

If that's not you, there are better options. Policies such as universal life insurance can provide higher coverage amounts (much higher, into the millions). These other options may require a life insurance medical exam, but can ultimately provide the best pricing. And there are ever-expanding options for no-exam life insurance, especially for term life insurance buyers.

## **22. What are some of the disadvantages to Guaranteed Issue Life?**

A. High Rates - Guaranteed Acceptance Life Insurance is one of the most expensive ways to buy life insurance. Unless you have serious health

conditions that would get you declined for other policies, look into other policy types first. An independent insurance agent or advisor can help you shop among multiple companies. Also, an experienced advisor will know which insurers are most likely to give you the best pricing based on your medical conditions.

Rates are based on the age at which you bought the policy and your gender.

### **23. What are Graded Death Benefits in Guaranteed Issue Life?**

- A. Guaranteed Life Insurance companies commonly use graded death benefits to protect themselves from purchases by severely ill people. If you pass away within the first two or three years of the policy for any reason other than an accident, your beneficiary could receive only a refund of the premiums you paid, plus interest. Interest amounts paid vary by company but can be in the range of 10% to 30%. If the death is from an accident, such as a car crash, the policy will pay the full coverage amount to your beneficiaries, even if you bought it recently.