

OPEN ENROLLMENT FOR THE ACA ENDS

1/31/2017- If you are interested in securing coverage for a 1/1/17 effective date, you needed to sign up by 12/15/2016. In order to get coverage with a February 1, 2017 effective date, you need to sign up and pay for the plan by 1/15/17. The last effective date during the 2017 Open enrollment period is a March 1st effective date. In order to get this date, you need to sign up by January 31st.

After January 31st, you CANNOT sign up for health insurance unless you have a qualifying event, such as loss of employer based coverage, a move to a new location, aging off of a parents' plan, etc. The Special Enrollment Period, which begins February 1st requires proof of loss of coverage in order to apply.

A special enrollment event DOES NOT include cancelling individual coverage or nonpayment of individual coverage. This is very important to consider because you may not be able to get coverage and as a result of not having coverage, you will have to pay a tax penalty.

FUTURE OF HEALTHCARE – A lot of my clients have inquired about what is going to happen with healthcare in light of a new president taking office. I obviously do not know for certain, but would like to share some of my thoughts, for what they are worth. As we know, the first major act of the new congress is expected to be in regards to repealing the Affordable Care Act (ACA). The timetable for repeal and ultimately replacing has not been set, nor has there been any agreement on how to do this. I do think some of the components of the Act may be repealed quickly, such as the Excise tax, which affects how businesses pay for health insurance for their employees. However, other provisions such as the insurance subsidies and Medicaid expansion will probably take years to change. Some aspects of the law may not change, such as keeping dependents on

their parents plan until the age of 26 years.

I do know, after meeting with hundreds of individuals during the open enrollment period, that for those individuals and families who do not qualify for subsidies, this law is not sustainable. We have seen increases in individual coverage of over 51% for Highmark and 26.5% for UPMC. Some of my clients have to live off their retirement benefits to pay for their health insurance.

Some ideas that I have heard about include promoting the use of Health Savings Account (HSA), which are high deductible health plans. I do believe that when people have to pay up front for a lot of medical expenses prior to the insurance setting in, it can reduce the cost of unnecessary medical expenses. But obviously these plans do not work for everyone.

The other discussion I have heard is allowing the sale of insurance across state lines. While I think this would allow for much more competition, and give individuals more choices and hopefully lower premiums, I do not know how this could be implemented in terms of networks of providers, etc. It should be very interesting to say the least to see how things play out. I welcome your comments and suggestions.

THANKS FOR YOUR PATIENCE- The open enrollment period is a very hectic time of year for me, as you all know. During this period, my time is more limited on the phone and in meetings so I can try and meet with as many clients as possible. I know that health insurance is so confusing, and the fact that plans and rules change on a regular basis only complicates the matter further. I want you to know that I really appreciate having you as a client and value our working relationship. If you feel that I was not able to adequately address your questions, please call my office to schedule a time to review in more detail. I am much more available now. I also

appreciate all of your referrals to family members and friends. Your trust and confidence in me means a great deal.

BASIC INSURANCE 101- A Few Key Things to Remember when Choosing a Health Insurance Plan – Cost is obviously one of the key driving forces behind the decision of which plan to choose. However, there are several factors to the cost picture:

- **Monthly premium**- this is the amount you pay every month for the coverage.
- **Deductible**- this is the amount you pay for certain services out of your pocket prior to having the insurance company share in the cost. Certain items may be excluded from the deductible, such as doctors copays, prescriptions, etc. In general, the higher the deductible, the lower the monthly premium. It would be helpful to have a crystal ball to predict how much we will be using our coverage in any given year. Since this is not possible, it is important to try and gage how much you used your coverage in the past. You could always call the health insurance carrier at the end of each year and see how much you met towards your individual and family deductibles to get an idea. With certain high deductible plans, you may be able to pair a Health Savings Account (HSA), which allows you to pay off your deductible with tax free money. There are several rules as to which plans are HSA compatible and how much you can contribute to these plans on a yearly basis. Please consult your accountant for more information on this matter.
- **Coinsurance**- once your deductible has been met, your share of what you pay for the services is listed as a percentage, such as 10%, 20%, etc. The insurance carrier pays the remaining amount. You continue to pay these amounts, as well as

your copays until you reach your out of pocket maximums.

- **Out of Pocket Maximum** – this number is for your protection. This is the most you will have to pay for your care for the year. After this amount has been met, the insurance carrier is responsible for paying for all of the rest. With the ACA plans, the out of pocket maximum includes your deductibles, coinsurance, copays even prescription copays. What is not included in this are your monthly premiums and your out of network costs and balance billing.
- **Network**- as you all know, when we meet, I like to confirm if your doctors participate in the insurance carrier network. With UPMC, there are several networks (Partner, Select, Premium). The narrower your network, the lower your premium. However, it is very important to see if the providers are covered in your network of choice. If they are not, they would be considered out of network, which will obviously cost more and not contribute to the out of pocket maximums.

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nglicksman@bluepeakinsurance.com