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Affordable Care Act Enrollment Deadline Approaches

By

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Just last November, the media was lamenting how poorly the enrollment into health insurance coverage under the **Affordable Care Act (ACA)** was going. Pundits pointed fingers at the administration while millions of Americans struggled to enroll, frequently encountering website glitches. Coverage details also appeared to be obscured, with the federal government’s website offering only plan summaries, as opposed to fine print details regarding exclusions.

Fast-forward three months, and the situation has improved, but the story has faded into the background. “Today, applications are being processed within 20 minutes as opposed to two weeks,” explains Lorrie Walker, an experienced insurance broker who has been working with enrollees since the beginning. She cites lost applications and misunderstandings regarding coverage as two recurring issues.

One of enrollees’ major concerns has been a lack of coverage of critical medications and procedures. In some cases, individuals who were used to having certain drugs covered by their policies are discovering their new plans exclude those same medicines. So what can they do?

So long as they switch their policies prior to the close of open enrollment—March 31, 2014—they can often resolve these coverage changes and continue with their previous treatments. But starting April 1, enrollees will have to start making tough decisions and consult their physicians to ensure their care meets plan guidelines. At that point, to change coverage, an individual has to experience a “qualifying event,” such as loss of coverage, a birth or marriage, etc.

Deciding Whether to Enroll

Individuals who currently receive coverage under an employer’s plan will generally find enrolling in an ACA health plan not worth the effort. They will likely not qualify for the federal subsidy because of the premium paid on their behalf by their employers, according to Ms. Walker.

Government subsidies are based on family size and income. A single person earning up to \$45,960 qualifies as does a couple making up to \$62,040. Those who earn more than that do not qualify. These amounts may change annually. To learn more, visit HealthCare.gov.

Individuals who do not have health insurance through their employers then have a choice to make: enroll or pay the penalty. In some cases, Ms. Walker has heard people say they will enroll when they need coverage, but it's not that simple, she says. "People can't enroll unless they experience a qualifying event," she explains.

So a person who waits will have to pay the penalty, which will increase annually. In 2014, a single adult has to pay \$95 or 1 percent of his or her income, whichever is higher. By 2016, the penalty rises to \$695 or 2.5 percent of income, according to the HealthCare.gov website.

Insurers will accept new enrollees again during the **2015 open enrollment period** from Nov. 15, 2014, to Jan. 15, 2015.

How to Enroll

The premium for a specific plan remains the same regardless of how one enrolls. Individuals interested in signing up for coverage can choose from three options:

1. Contact an insurance broker. These professionals have received training not only regarding the regulated insurance industry but also specific ACA training.
2. Contact a health insurance company. Insurers can enroll individuals directly.
3. Visit HealthCare.gov or your state's website. For Illinois, it's GetCoveredIllinois.gov, which showcases the state's official health care marketplace.

Ms. Walker believes all three methods are valid, however, it can help to speak with a knowledgeable professional to receive guidance and have questions answered. Even after submitting an online application, she recommends an applicant contact the company that should receive it to ensure it transmitted properly.

Key 2014 Deadlines

March 15 – The date an application has to be filed for coverage to begin April 1.

March 16-31 – Enrollment during this time frame means coverage starts May 1.

Helpful Tips

Ms. Walker, after working with hundreds of applicants, offers the following advice:

1. People who don't expect to qualify for a subsidy or know they don't qualify don't need to apply through the health insurance exchanges. Insurance carriers are accepting applications directly from applicants.
2. Be patient. Follow up, and don't assume that if you have an insurance card the coverage has gone into effect.
3. Research ACA plans to make sure your new plan covers your existing prescriptions. This ensures you won't face a lapse in taking critical medications.
4. If you presently have coverage, do research to compare your current individual plan and the new health care plans. Don't stop at just the premium. Make sure you understand what you are buying and/or changing if you are replacing a current plan.

(Special thanks to Lorrie Walker, CLTC, life and health account manager for Mavco Insurance Agency, Inc., in Hinsdale)

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About Susan Carr-Templeton

Susan Templeton is the founder of Stafford Wells Advisors, a wealth management firm serving individuals, families and businesses and advising workplace retirement plans. Stafford Wells was founded in 2008 with the mission of delivering independent, complete, unbiased investment and planning advice, free of any conflicts of interest. Susan Templeton has more than 20 years experience in investment management. She received her B.S.B.A. degree in marketing from the University of Denver and her M.B.A. from the University of Chicago. Susan is a trustee for the Advocate Foundation where she chair's the Planned Giving Committee and is a member of the Investment Committee. Susan serves on the investment committee for the Visiting Nurse Association (Chicago) and is a former trustee of the Village of Oak Brook Police Pension Plan.