

## Tax Season Special Enrollment Periods

The second open enrollment period (OEP) under the Affordable Care Act ended on February 15, with more than 11.4 million people enrolled in coverage through the Federal and state Marketplaces.<sup>1</sup> Attention now turns to the 2014 tax season. Many tax filers who were uninsured for all or part of 2014 are learning for the first time that they must pay a penalty, and have missed the opportunity to enroll in 2015 coverage. A recent analysis by the Urban Institute finds significant percentages of uninsured adults who may be subject to the penalty have heard little or nothing about it, did not expect or did not know if they would have to pay the penalty, and did not know about the Marketplace enrollment deadlines, if they had heard of the Marketplaces at all.<sup>2</sup>

The Federal government and ten State-based Marketplaces – in California, Connecticut, the District of Columbia, Kentucky, Maryland, Minnesota, New York, Rhode Island, Washington and Vermont – have already announced plans to establish a Special Enrollment Period (SEP) to permit individuals subject to the tax penalty to enroll in 2015 coverage outside of this year’s OEP, thereby minimizing the penalty they could incur when filing their 2015 taxes.<sup>3</sup> Two State-based Marketplaces, in Colorado and Idaho, announced they will not establish a tax season SEP<sup>4,5</sup> and the Federal government has announced that there will not be a tax season SEP in subsequent years.<sup>6</sup>

The Affordable Care Act requires that all Marketplaces provide initial and annual open enrollment periods (OEPs), during which individuals may enroll in coverage. Additionally, Marketplaces must offer certain “special enrollment periods,” generally triggered by changes in life circumstances – such as marriage, the birth of a child and involuntary loss of coverage – that permit individuals to enroll in coverage outside of the annual OEP. Marketplaces have discretion, however, to establish additional enrollment periods beyond the federal minimums.<sup>7</sup>

The “tax season SEPs” announced thus far include the following:

- **Federal.** The Centers for Medicare and Medicaid Services established a SEP to run March 15 through April 30 for individuals living in states with a Federally-facilitated Marketplace and not currently enrolled in coverage through the FFM for 2015 who attest to: (1) paying the penalty for not having health coverage in 2014 when they filed their tax return; and (2) first becoming aware of, or understanding the implications of, the requirement to have coverage after the end of open enrollment and in connection with preparing their 2014 taxes.<sup>8</sup>

<sup>1</sup> U.S. Department of Health and Human Services, Open Enrollment Blog. 2/18/15.

<http://www.hhs.gov/healthcare/facts/blog/2015/02/open-enrollment-week-thirteen.html>

<sup>2</sup> Michael Karpman, Genevieve Kenney, Sharon Long and Stephen Zuckerman. “QuickTake: As of December, Many Uninsured Adults Were not Aware of Tax Penalties for Not Having Coverage, the Marketplaces, or the Open Enrollment Deadline.” Urban Institute Health Policy Center. 2/19/15. <http://hrms.urban.org/quicktakes/As-of-December-Man-Uninsured-Adults-Were-Not-Aware-of-Tax-Penalties.html>

<sup>3</sup> The Special Enrollment Period does not impact individuals’ requirement to pay the penalty for being uninsured in 2014.

<sup>4</sup> Colorado Division of Insurance, Press Release. 3/10/15.

<http://cdn.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%22No+Special+Enrollment+Related+to+Tax+Penalties.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1252056698232&ssbinary=true>

<sup>5</sup> Your Health Idaho, News Release. 3/4/15. <https://www.yourhealthidaho.org/important-message-about-tax-special-enrollment-period-in-idaho/>

<sup>6</sup> Howell, Tom. “Obamacare special enrollment for penalty payers a one-time deal, admin says.” 3/13/15.

<http://www.washingtontimes.com/news/2015/mar/13/obamacare-special-enrollment-penalty-payers-one-ti/>

<sup>7</sup> 45 CFR §155.420

<sup>8</sup> Centers for Medicare and Medicaid Services Press Release, 2/20/15. <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2015-Press-releases-items/2015-02-20.html>

- **California.** Covered California announced a SEP available from February 23 to April 30 for “consumers who did not know or understand there was a tax penalty for being uninsured in 2014 or who learned they may face a penalty for 2015.” Applicants must attest that they did not know there was a tax penalty by selecting “Informed of Tax Penalty Risk” when submitting an application online.<sup>9</sup>
- **Connecticut.** Access Health CT’s CEO announced a month-long SEP to span the month of April for individuals who attest that they paid the fee upon filing their 2014 tax return and that they were not aware or did not understand the requirement to have insurance until after the OEP deadline and in connection with preparing their taxes.<sup>10</sup>
- **District of Columbia.** The DC Health Benefit Exchange’s SEP will begin on March 15 and end on April 30. To qualify, a resident must attest that they paid a tax penalty to the IRS when filing their 2014 federal tax return for being uninsured, or the individual may attest that they first became aware of, or understood the implications of, the tax penalty after open enrollment ended.<sup>11</sup>
- **Kentucky.** Governor Steve Beshear announced that kynect will provide a SEP from March 2 through April 30 for individuals “unaware of possible tax penalties.”<sup>12</sup>
- **Maryland.** Maryland Health Connection established a SEP to run March 15 through April 30 for Marylanders “who must pay the penalty for lacking health insurance in 2014 and who attest that they became aware of the penalty during this income tax filing season after the Feb. 15 close of open enrollment for 2015 coverage.”<sup>13</sup>
- **Minnesota.** MNsure has established a SEP from March 1 through April 30 for “individuals who are required to pay a penalty for being uninsured in 2014 as they file their 2014 tax return.”<sup>14</sup>
- **New York.** To apply for coverage during the NY State of Health’s SEP, open from March 1 through April 30, individuals must attest that upon filing their 2014 taxes, they paid the penalty for not having health insurance in 2014 and first became aware of or understood the implications of not having health insurance.<sup>15</sup>
- **Rhode Island.** HealthSource RI established a SEP from March 15 through April 30 for individuals who attest that they paid the fee when filing their 2014 tax return and that they first became aware of, or

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<sup>9</sup> Covered California Press Release. 2/20/15. <http://news.coveredca.com/2015/02/covered-california-offers-consumers.html>

<sup>10</sup> Hartford Courant. “Access Health CT Will Have Special Open Enrollment in April” 3/3/15.

<http://www.courant.com/business/connecticut-insurance/hc-access-health-ct-reopens-enrollment-20150303-story.html>

<sup>11</sup> DC Health Benefit Exchange Authority News. 3/10/15. <http://hbx.dc.gov/release/special-enrollment-offered-uninsured-district-residents-facing-irs-tax-penalties>

<sup>12</sup> Governor’s Steve Beshear’s Communications Office Press Release. 2/24/15.

<http://migration.kentucky.gov/Newsroom/governor/20150224kynect.htm>

<sup>13</sup> Maryland Health Connection Media Release. 2/25/15. <http://marylandhbe.com/wp-content/uploads/2015/02/02252015-SpecialTaxEnrollment.pdf>

<sup>14</sup> MNsure Press Release, 2/18/15. <https://www.mnsure.org/news-room/news/news-detail.jsp?id=486-156688>

<sup>15</sup> NY State of Health Press Release, 2/24/15. <http://info.nystateofhealth.ny.gov/news/press-release-ny-state-health-announces-special-enrollment-period-uninsured-new-yorkers-facing>

understood the implications, of the requirement to have insurance after the end of the 2015 OEP in connection with preparing their 2014 tax return.<sup>16</sup>

- **Washington.** The Washington Health Benefit Exchange directs “customers who were unaware of the tax penalty” to complete an online application and to call the Marketplace’s Customer Support Center when prompted to select a type of SEP. The SEP began on February 17 and ends on April 17. Individuals must select a plan and submit payment by the deadline to effectuate coverage.<sup>17</sup>
- **Vermont.** Vermont Health Connect’s SEP is available to those “who learn about the new federal fee when they file their 2014 taxes.” Individuals must apply and select a plan within 60 days of discovering their penalty, but no later than May 31.<sup>18</sup>

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<sup>16</sup> HealthSource RI Press Release, 3/3/15. <http://www.healthsourceri.com/press-releases/healthsource-ri-announces-special-enrollment-period-for-tax-season/>

<sup>17</sup> Washington Health Benefit Exchange Press Release, 2/16/15. <http://wahbexchange.org/news-resources/press-room/press-releases/wa-healthplanfinder-spring-sep>

<sup>18</sup> Vermont Health Connect. <http://info.healthconnect.vermont.gov/QualifyingEvents>