

FAQ: Coronavirus Outbreak and Health Coverage Programs

The outbreak of the novel coronavirus (COVID-19) has prompted job losses and income reductions, leading many families to seek new sources of health coverage or additional help paying for it. In many cases, people can find affordable options through the health insurance marketplaces, Medicaid, or the Children’s Health Insurance Program (CHIP). Below are some answers to help people understand who is eligible to enroll in coverage.

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Enrollment Options

Q: Can people who need health coverage now enroll in a marketplace plan?

A: To enroll in a marketplace plan outside of the yearly open enrollment period, people generally must experience a situation that triggers a “special enrollment period” or SEP. The events that trigger an SEP include the loss of other health coverage, a permanent move, and getting married or having a baby. (See a complete list [here](#).)

People who lose or quit their jobs and therefore lose their employer-provided health benefits will be eligible for the “loss of coverage” SEP, allowing them to enroll in marketplace plans, including with premium tax credits if they qualify. This SEP is also available to people who lose their job-based coverage when their work hours are reduced or who have health coverage that is newly unaffordable because their employer stopped or reduced contributions to the premium.

In addition, 12 states (including Washington D.C.) that run their own marketplaces are providing temporary SEPs because of the COVID-19 emergency that typically stretch into April. In these states, anyone can enroll for the duration of the SEP, just like during open enrollment. As of May 13, 2020, the federal marketplace (HealthCare.gov) has not provided a similar SEP.

COVID-19 SEPs in state-based marketplaces run through*:

- | | |
|------------------------|---------------------------|
| • California | SEP effective 3/20 - 6/30 |
| • Colorado | SEP effective 3/20 - 4/30 |
| • Connecticut | SEP effective 3/19 - 4/17 |
| • District of Columbia | SEP effective 3/21 - 9/15 |
| • Maryland | SEP effective 3/16 - 6/15 |
| • Massachusetts | SEP effective 3/12 - 5/25 |
| • Minnesota | SEP effective 3/23 - 4/21 |
| • Nevada | SEP effective 3/17 - 5/15 |
| • New York | SEP effective 3/16 - 6/15 |
| • Rhode Island | SEP effective 3/14 - 4/30 |
| • Vermont | SEP effective 3/20 - 5/15 |
| • Washington | SEP effective 3/10 - 5/8 |

* As of 5/13

Enrollment Options (Cont.)

Q: What is needed to verify SEP eligibility?

A: Usually, HealthCare.gov asks people who apply for a plan using an SEP to submit documents such as a letter from an employer or insurance company as part of the verification process. Currently, HealthCare.gov is providing flexibility around submitting documents, to help address the challenges people are facing during the public health emergency. Applicants at HealthCare.gov can attest to the information they provide on their application, including the events that trigger an SEP. Many state-based marketplaces are also accepting attestation in place of paper documents. (If a client is ever asked to document an SEP but does not have the paperwork, submit [this explanation letter](#) to HealthCare.gov.)

Q: Can people who need health coverage now enroll in Medicaid or CHIP?

A: Yes, if they are eligible. Enrollment in Medicaid or CHIP doesn't require a special enrollment period so people can enroll year-round. Some families may have experienced income reductions that would qualify them for these programs. Eligibility for Medicaid and CHIP generally depends on monthly income, so people who have recently lost jobs and have no current income may be eligible for Medicaid coverage, particularly if they live in a state that expanded Medicaid. People can apply for these programs directly through their Medicaid agency or through the Marketplace. However, if a family is very likely to be eligible for Medicaid, or if their state is providing additional temporary flexibilities for Medicaid or CHIP eligibility, they may get a faster eligibility determination in some states if they apply directly with the state Medicaid/CHIP agency.

Q: If someone is offered COBRA, are they eligible for a premium tax credit in the marketplace?

A: Yes, if they meet all other premium tax credit eligibility requirements. The loss of insurance that triggers COBRA also triggers an SEP in the marketplace. A person who becomes eligible for COBRA can choose to enroll in COBRA or receive a premium tax credit, but not both. If an enrollee elects to enroll in COBRA and the SEP window closes, they cannot change their mind and get an SEP on the basis of dropping COBRA, unless they drop COBRA because their employer stops contributing to their COBRA premiums. Unless this is the case, they would have to wait until the next open enrollment period or until they become eligible for a different SEP.

People who are 65 and older or who have disabilities are likely to be eligible for Medicare and would generally be better off in that program than in COBRA if they lose their job-based coverage. Plus, they may face financial penalties if they don't enroll in Medicare when they lose the other coverage. For more information about Medicare, people can contact the State Health Insurance Assistance Program (SHIP) [in their state](#).

Q: Can people with short-term health plans enroll in marketplace coverage?

A: People enrolled in a short-term plan who want more comprehensive health and financial protection, or who are losing coverage under a short-term plan, can only enroll in a marketplace plan outside of open enrollment if they qualify for an SEP, including those temporary SEPs mentioned above that some states have provided in response to the outbreak.

People who are enrolled in short-term plans are treated as uninsured, and so the expiration or termination of a short-term health plan does not trigger the "loss of coverage" SEP in the marketplace. If they don't have access to a temporary emergency SEP, and do not experience another SEP-triggering event, they may not be able to enroll. Short-term health plan enrollees can, however, qualify for Medicaid and CHIP if they are otherwise eligible. And if they do qualify to enroll in a marketplace plan, they can access premium tax credits and reduced cost-sharing charges if they are otherwise eligible; having a short-term plan does not prevent this.

Enrollment Options (Cont.)

Q: Can people with short-term health plans enroll in marketplace coverage? (Cont.)

Short-term health plans, sometimes called short-term limited duration insurance or STLDI, differ from comprehensive individual-market health insurance because they do not have to meet the same standards (i.e., they typically exclude some “essential health benefits” such as mental health care and prescription drugs and do not cover people’s pre-existing medical conditions).

Changes to Eligibility

Q: How did the recent federal legislation affect Medicaid eligibility during the public health emergency?

A: As part of giving states extra federal funds in their Medicaid program, the law requires states to maintain coverage for people already enrolled and those who newly enroll for the duration of the official [public health emergency](#) unless they leave the state or ask to disenroll. Assuming all states accept the additional federal funding (as seems likely), changes in income or other circumstances won’t affect an enrollee’s coverage. They’ll be able to keep their Medicaid until the official public health emergency ends.

Q: How will the economic impact payment affect the calculation of income eligibility for health coverage programs?

A: The recent law provides an “economic impact payment” of \$1,200 per adult and \$500 per dependent child for most families. (The payment is phased out at higher income levels.) This payment does not count as income for people seeking coverage in Medicaid, CHIP, or the marketplace.

Q: How will changes to unemployment compensation affect the calculation of income eligibility for health coverage programs?

A: In general, state unemployment compensation is taxable income that is included in both the Medicaid/CHIP and premium tax credit income calculations. The law made several changes to unemployment benefits, at state option:

- There is a federal increase in unemployment benefits of \$600 per week for up to four months, ending July 31, 2020. This special federal payment is excluded from income for Medicaid/CHIP eligibility, but it is included for determination of income for premium tax credits.
- States are permitted to expand unemployment to people who generally don’t qualify for benefits, including self-employed and gig workers and individuals who were not able to start a new job because of the pandemic. This is treated as a state unemployment benefit that is included in income for Medicaid/CHIP and premium tax credit eligibility. People in this category may also be eligible for the \$600 per week federal payment that is excluded from income for Medicaid/CHIP but included for premium tax credits.
- States may also extend their unemployment benefits from the typical 26 weeks to 39 weeks. This is treated as a state unemployment benefit that is included in income for Medicaid/CHIP and premium tax credit eligibility.

HealthCare.gov is programming this change into its system. People applying for coverage through the marketplace should include all their unemployment compensation on their application, and be on the lookout for help text or other instructions about how to estimate their income for the year.

Changes to Eligibility (Cont.)

Q: What happens to people enrolled in marketplace coverage whose income falls?

A: It depends on the amount of their income and whether they live in a state that has expanded Medicaid.

Marketplace plan enrollees whose income falls below 138 percent of the poverty line are more likely to become eligible for Medicaid if they live in a state that expanded it. Medicaid offers free or low-cost comprehensive coverage, and people can stay enrolled in Medicaid throughout the public health emergency, as explained above.

For adults in a state that didn't expand Medicaid, a reduction in annual income below the poverty line might make them ineligible for any coverage. If a consumer isn't earning any income right now, they can still estimate an annual income above the poverty line based on income they realistically expect to receive later this year, such as a consumer who is temporarily unemployed or furloughed but who hopes to be back at work this summer or fall. (Note that a person who remains in their marketplace plan with advance payments of the premium tax credit despite having income that falls below the poverty line does not have to repay their premium tax credit, under the [IRS's safe harbor provision](#).)

For people enrolled in marketplace coverage who remain eligible for subsidized marketplace coverage, reporting a lower income could mean becoming eligible for a higher premium tax credit or income-based cost-sharing reduction. (A person who becomes newly eligible for advance payments of the premium tax credit or has a change in cost-sharing reduction eligibility may also be eligible for an SEP to change plans, with certain limitations.) When reporting household income changes, people should include all unemployment benefits in their estimate of monthly and annual income. If an enrollee doesn't include those benefits, they may underestimate their annual income and need to pay back some of their 2020 premium tax credit when they file their tax return next year. (See above question for more information about how new unemployment benefits are counted for Medicaid/CHIP and premium tax credit calculations.)

Q: What if an enrollee can't pay their marketplace premium?

A: Under current law, there is a three-month premium payment grace period for people who receive premium tax credits. After their first missed premium payment, an enrollee has three coverage months to catch up on payments; at the end of three months, the full premium for all three months must be paid. If someone doesn't catch up on all premiums owed, coverage will be canceled retroactively to the end of the first month of missed premiums, and the insurer will not pay any medical claims incurred in the second and third months.

For example, if an enrollee misses the premium payment due April 1, they have until June 30 to catch up on all premiums owed at that point. If they fail to pay all premiums owed, any medical claims they incurred in April will be covered, but the enrollee will be fully responsible for claims from May and June. When they file their tax return, they'll need to pay back any advance premium tax credit paid for April's coverage or make a late payment of April's premium.

A few states have allowed insurers to extend grace periods. For HealthCare.gov, CMS will use "[enforcement discretion](#)," meaning that insurers have some flexibility to extend payment deadlines without running afoul of federal rules, as long as the insurer is acting with the consent of its state insurance commissioner. For example, if April's premium is normally due April 1, and an insurer extends the due date to May 1 before the consumer enters a grace period, CMS will not consider the insurer in violation of grace period rules.

Q: If someone is insured, is COVID-19 testing and treatment covered?

A: All forms of health insurance, including marketplace plans, must cover COVID-19 *testing* without cost-sharing; however, services obtained in a medical visit for testing that are unrelated to the testing may be subject to cost sharing and so will medical visit costs if testing is not done. (Note that short-term plans, health care sharing ministries, and other similar plans are not considered insurance and may not be subject to the requirement to cover testing.) In addition, marketplace plans (and all plans in the individual and small group markets) must cover ten categories of essential health benefits that are likely to pay for the physician, hospital, and laboratory services people need while undergoing COVID-19 treatment; however, specific coverage and cost-sharing can vary by plan.

Q: If someone is uninsured and cannot enroll in marketplace or Medicaid coverage, is there other help available to them to cover COVID-19 related costs?

A: A new law gives states an option to cover COVID-19 testing and diagnosis under Medicaid for some uninsured people and for private physicians and other providers to have their services paid for through the National Disaster Medical System. This means that there should be free testing and diagnosis available at designated community locations. These options only pay for testing and diagnosis, not treatment.

Q: Will accessing testing or treatment for COVID-19 have a negative impact on people who apply for an immigration status and will go through a public charge assessment?

A: The federal government recently changed public charge policies restricting immigration for many people. The policy is confusing and although few people will be put in harm's way due to accessing health coverage programs, many are fearful, as [this resource](#) explains. The Department of Homeland Security [posted a notice](#) telling people who have a COVID-related health concern to seek medical treatment without fearing that care will negatively impact them if they later go through a public charge assessment. Certain programs are not considered at all in public charge assessments including ACA marketplace health insurance with a premium tax credit and/or cost-sharing reduction and CHIP. Additionally, signing up for Medicaid for people when they are younger than 21, when they get Medicaid based on pregnancy, or when they only receive health care services for life-threatening emergencies will not be negatively factored into a public charge assessment.