

2017 Individual Health Insurance Plan Information

What You Need to Know about 2017 Individual Health Insurance Plans Available in Alaska

Premera Blue Cross Blue Shield of Alaska will be the only Affordable Care Act (ACA)-compliant individual health insurer in Alaska for 2017. As announced in May, Moda Health Plan, Inc. is withdrawing from the Alaska individual health market on December 31, 2016.

Consumers currently covered by a Moda Health or a discontinued Premera Blue Cross Blue Shield of Alaska (Premera) individual/family health insurance plan will need new coverage beginning January 1, 2017.

Open enrollment for the individual health market begins on November 1, 2016 and runs until January 31, 2017. To avoid a gap in coverage, consumers transitioning from a discontinued plan to a new plan should be prepared to apply for and purchase a new plan by December 15, 2016.

Direct Enrollment

Alaskans with individual coverage purchased directly from Moda Health or Premera (not on the healthcare.gov marketplace) should shop for and select a new plan. You can contact a health insurance broker or contact the insurer directly to purchase a plan from Premera, the only ACA-compliant individual health insurer in Alaska for 2017. Alternatively, you may purchase a Premera plan through www.healthcare.gov. The contact information for in-person assistance can also be found on healthcare.gov under the “[find local help](#)” link.

Marketplace Enrollment

Alaskans who obtained coverage in 2016 through healthcare.gov should update their account information during the open enrollment period. Once account information—including expected income for 2017—has been updated, shop for a plan that meets your budget and healthcare needs. The Alaska Division of Insurance is working with healthcare.gov to ensure that all Alaska consumers who have 2016 marketplace plans that are discontinued for the upcoming year and who do not select a new plan prior to December 16, 2016 are automatically renewed into the most similar plan available on the exchange for 2017. However, the division urges you to actively select a health plan.

Frequently Asked Questions:

- 1) *I have an individual/family plan that I purchased at healthcare.gov. I received a discontinuation notice effective December 31, 2016 from my insurance company. What do I need to do? What should I know?*

As long as you continue paying your premium, you are covered under your current plan until December 31, 2016. Starting on November 1, you will have the opportunity to select a new insurance plan at healthcare.gov. If you do not actively select a new plan, you will be automatically renewed into the most similar plan available and the coverage will be effective January 1, 2017.

- 2) *I read that Moda Health will no longer be offering individual health plans in Alaska. What about my current plan?*

If you currently have an individual health plan from Moda Health, they will cover you until December 31, 2016. You should continue to contact Moda Health Plan, Inc. with your claims or coverage questions.

- 3) *I currently receive a tax credit associated with my Marketplace plan. Premera's health plans are more expensive than Moda's. Will I have the same tax credit in 2017?*

Tax credits are based on a number of factors such as family size, income, and the federal poverty level. The ACA limits the amount of premium that consumers are required to pay if their family income is between 138% and 400% of the federal poverty level (FPL) for Alaska. Tax credit amounts are based on the second lowest cost silver plan offered in the Marketplace. The tax credits

2017 Individual Health Insurance Plan Information

available to Alaskans for 2017 will be reset based on the plans available; therefore, consumers can expect changes to their tax credit amounts.

- 4) *I received a notice that my individual/family Premera health plan is being discontinued December 31, 2016 with a recommended replacement plan. Why is the premium amount so much higher for the new plan?*

It is likely that you had a transitional plan. These plans were allowed to renew without incorporating several ACA provisions including coverage for mental health services, maternity benefits, prescription drug coverage, and cost-sharing limitations. In addition, transitional plans were underwritten, meaning Alaskans with certain pre-existing health conditions were prevented from obtaining health insurance. The new ACA-compliant plans incorporate additional benefits, and all Alaskans are able to enroll regardless of medical history.

Premera announced on October 13th that they will continue the transitional plans one more year as permitted by the federal government and the Division of Insurance. Premera will be sending out additional information shortly to notify affected consumers who will be able to continue their plans. Please note that there will be an increase in premium amount for the 2017 plan year. Rates for these plans are being finalized, and consumers can expect another notice with the final premium amount in order to continue their current coverage.

- 5) *I received a notice that my ACA-compliant Premera health plan is being discontinued December 31, 2016 with a recommended replacement plan. Why is my plan being discontinued?*

Premera made a business decision to reduce the number of plans marketed in Alaska. In addition, they changed their participation with the multi-state plan program; the effect on consumers with multi-state plans was primarily a name change.

- 6) *I heard that Premera's rate increase was less than 10%. Why did my premium increase more than 10%?*

There are a number of reasons your premium may have increased more than the widely reported 7.3%.

- Change in family size – did you get married or add a new dependent?
- Age – premium rates are based on age. As you age, premiums increase. In addition, when you turn 21, your age classification changes to adult and your rate increases.
- Transitioning from a plan that is no longer available – if you have a plan from an insurer, including Premera, that is no longer offering that particular plan, your premium may be higher.
- Change in Advance Premium Tax Credit Amount – if you expect to earn more money in the next calendar year, the tax credit amount may be lower or unavailable to you and as a result your monthly payment may be more.

- 7) *I'm not sure what kind of Premera plan I have or who to contact for help.*

You can contact Premera or your agent for questions regarding your plan or rate. Starting November 1st, the Division recommends that you shop for a plan that meets your needs regarding deductibles, cost-sharing, and premium.

2017 Individual Health Insurance Plan Information

8) *I received a discontinuation letter. It indicates that I can enroll in a catastrophic plan. Where can I buy a catastrophic plan?*

The letter contains standardized language from the federal government. No catastrophic plans are offered in the Alaska market. You will not be able to purchase a catastrophic plan for 2017.

9) *I heard that there may be assistance in paying premium for a health plan. What are the income limits for the tax credits?*

In order to be eligible for a tax credit or Medicaid expansion, your annual household adjusted gross income must be lower than the following amounts:

Persons in Household	400% FPL
1	\$59,360
2	\$80,080
3	\$100,800
4	\$121,520
5	\$142,240
6	\$162,960
7	\$183,680
8	\$204,480

Please see <https://www.healthcare.gov/income-and-household-information/> for additional details regarding income.

If you have seasonal or variable income, it may be hard to predict what your income will be for the year but you will want to make a realistic estimate. If you make more than 400% of the FPL, you will be responsible for paying back all advanced premium tax credits received. If your income estimate is inaccurate but your income is lower than 400% of the FPL, will need to pay back a portion of the tax credit up to \$1,250 (\$2,500 for families). If you over-estimate your income, you are able to receive the full amount of the tax credit you are eligible for on your tax return.

10) *I'd like to know what individual/family plans will be available for 2017. Where can I find information?*

Premera has posted information regarding their Alaska plan offerings on their website:

<https://www.premera.com/ak/visitor/shop-for-plans/individual-and-family-plans/health-plans/>

After November 1st, information will also be available at www.healthcare.gov.

11) *Aren't there other options? What should I know about a short-term medical policy?*

The Division advises consumers to exercise caution when considering a short-term health insurance policy. These plans are designed to be used for brief periods of time such as when you are between jobs. Only licensed agents should assist you with the purchase of health insurance; make sure the company and agent you are working with are licensed in Alaska.

2017 Individual Health Insurance Plan Information

Short-term medical health plans are:

- not held to the same benefit standards and do not have the same consumer protections as comprehensive health plans.
- permitted to exclude pre-existing conditions and apply waiting periods, and have limited coverage.
- not considered minimum essential coverage under the ACA so you may be subject to a federal tax penalty.

Please see the Division's [press release](#) from last year for more information about short-term health insurance.

12) I heard about health care sharing ministries in the news. What should I know about health care sharing ministry coverage?

Health Care Sharing Ministries (HCSM) plans are provided by an organization coordinating medical expenses – not an insurance company -- and the documents provided are not an insurance policy. The plan works by pooling the health care expenses of members, with each person sharing in the payment of medical expenses. However, the decision to assist with medical bills is voluntary because participants are not compelled by law to contribute. Whether or not you receive a payment from the ministry for payment of medical expenses and whether or not this organization continues to operate, you are personally responsible for the payment of your medical bills.

HCSMs also do not have to follow ACA regulations, including annual and lifetime limits and coverage for essential health benefits, and may apply pre-existing condition exclusions. HCSM may refuse to share claims that result from prohibited behavior. For example, an unmarried pregnant woman may be ineligible for maternity benefits, or other services such as alcohol or drug abuse treatment may be excluded from sharing.

Because of the limitations, the monthly sharing amount may appear attractive to consumers. HCSM plan enrollment has grown in the last couple of years. The Alaska Division of Insurance urges consumers to understand the limitations and restrictions involved before choosing an HCSM plan.

If you have any questions, please call the Division of Insurance at 907-269-7900.