

Rate Hikes Sought by Maine's ACA Insurers

Maine's two leading providers of Affordable Care Act-compliant individual health insurance are requesting average rate increases of just over 9 percent in 2019, and smaller increases if a state-run reinsurance program is revived.

Maine media has covered this news, including this story from the Portland Press Herald. [Click here.](#)

Important Information for Those Who do not Have Employer-Sponsored Health Insurance

Open enrollment is when you can change plans or change insurance companies. The open enrollment period for individual health insurance coverage for 2018 under the Affordable Care Act has been shortened significantly to Nov. 1 through Dec. 15.

We are working with as many of our existing customers as possible. We will not be taking on any new individual health customers.

For more information, please read our [October Individual Health newsletter](#), distributed to our customers on Tuesday, Oct. 10.

Health Insurance Outside of Open Enrollment

Open enrollment for individual health insurance coverage ended Jan. 31 and at this time the only way someone can enroll in a health insurance plan is if they've experienced a qualifying life event.

At this time our agency does not participate in enrollments outside of the open enrollment period. We have developed a document with information where to get assistance outside of open enrollment.

[Click here for PDF.](#)

Forms 1095A, 1095B, 1095C – What They Mean for You

Beginning this tax filing year, there are several new documents being issued from various sources to provide information to complete individual tax filings.

These notices are intended to provide the Internal Revenue Service with proof that individuals had health insurance coverage, the months during the year the health insurance coverage existed, and for full-time employees of companies with 50 or more employees, proof that affordable and minimum value coverage was offered.

The form 1095A is from the "Health Insurance Marketplace." This is provided to an individual who enrolled in coverage through the Marketplace (healthcare.gov), which family members were covered on the health insurance plan and what months the insurance coverage was in place. This form is intended to provide the IRS with proof that the individual and any family members had coverage that satisfies the individual shared responsibility provision of the Affordable Care Act.

The form 1095B is from the health insurance provider. This most often will be the health insurance company itself. They will provide this notice to individuals they cover, with information about who was covered and when. Again, this is intended to provide proof that the individual and any family members had coverage that satisfies the individual shared responsibility provision of the Affordable Care Act.

The form 1095C is from the employer with more than 50 full-time employees or equivalents. This provides information about the health plan that is offered (or not), and that it meets the minimum value as determined by the affordable care act. It also certifies that the health insurance coverage offered is "affordable." This affordability percentage will change each year, but for 2015, the rule was that the coverage could not cost more than 9.56% of a full-time individual's annual salary. This illustrates the individual's eligibility for a premium tax credit if they had purchased coverage through the Health Insurance Marketplace.

It is possible that an individual will receive these notices from several sources. If the individual had more than one job in 2015, or was covered by more than one insurance company, there will be multiples. If family members were enrolled on separate contracts, that will require multiple notices as well.

Please feel free to call us for assistance with understanding these forms or for a more in-depth, detailed explanation.

Call 207-236-4311.

Community Health Options January Payment Deadline Extended

We have had a number of calls from Community Health Options members about their January invoices and when payments are due. The deadline for January payments has been extended to Thursday, Jan. 7 at 6 p.m.

Also, we've been told that the Community Health Options service center is experiencing high call volumes resulting in extended wait times for callers. If you would like to make a payment by phone, you may want to use their automated payment system by calling 877-254-3508.

For debit card payments, please have your member identification number and debit card account number, security code and expiration date ready. For payments by check, please have your member identification number, bank routing number and account number ready.

Health Insurance and Filing Your Taxes

By Jan. 31, 2016, the Health Insurance Marketplaces will be mailing Form 1095-A to all individuals who enrolled in

Marketplace health insurance coverage. Form 1095-A acts as proof of insurance, and is sent to individuals who had Marketplace coverage to allow them to:

- Claim Premium Tax Credits
- Reconcile the Credit on their returns with Advanced Premium Tax Credit Payments
- File accurate tax returns in general, as this information can be used to help determine exemptions or penalties under the individual mandate

Purpose of Form

Form 1095-A is not a form that you have to complete; it is simply used to report certain information to the IRS about individuals who enroll in a qualified health plan through the Health Insurance Marketplace.

If you received a premium tax credit to help pay for your Marketplace coverage, you'll use the information on Form 1095-A to fill out your Premium Tax Credit Form 8962. This form will allow you to claim additional tax credits or to repay amounts if you got too much assistance based on your income. Most people who received tax credits will need to fill out Form 8962, since even a slight change in income will change the amount of any tax credit that they are owed.

Who Has to File the 1095-A Form?

The Health Insurance Marketplace (state, federal, regional or subsidiary) must file Form 1095-A. Individuals don't have to file the form; they will use the form furnished to help them complete other forms, including Form 8962.

If you enrolled in health insurance through the Marketplace and received a premium tax credit, you'll use the information on Form 1095-A to fill out your Premium Tax Credit Form 8962.

Can I File Form 8962 Without a Form 1095-A?

If you received tax credits, then you'll want to wait until you have your Form 1095-A. It would be very difficult to correctly

fill out the Premium Tax Credit form without the information from your 1095-A. If you are running up against the deadline, you can file for an extension on your taxes and request another form from the Marketplace. Don't forget: you can also view your form online after it has been filed.

What if I Had More than One Provider?

If you had more than one type of health insurance throughout the year, then follow this rule of thumb: for 2015, you'll get a Form 1095-A from every provider that you had a Health Insurance Marketplace plan with. If you don't have your Form 1095-B or Form 1095-C from your employer or coverage outside of the Marketplace, then use the honor system to report those types of coverage.

For 2016 and beyond, you'll get forms from anyone who provided you with coverage by early February.

Community Health Options: Preferred Regional Pharmacy Pilot Ends With Mixed Results

Throughout 2015 Community Health Options (formerly Maine Community Health Options) has provided its Members with \$0 co-payments on Tier 1 medications at Hannaford Pharmacies, Community Pharmacies, and The Pharmacy at Maine Medical Center. This pilot program will be ending Dec. 31, 2015, and will not continue into the 2016 plan year.

The pilot was designed to be of limited duration and to determine if \$0 copays and pharmacist involvement could move

utilization from higher cost generics to lower cost generics. The regionally-based pharmacies chosen for this pilot were those identified as best positioned to move Members to higher generic dispensing rates (GDR), having a local presence, and having the ability to help move Members from higher cost generics to lower cost generics.

While CHO has seen positive changes and improvements occur, the costs of foregone copayments are not made up by similar gains in the shift to lower cost generics. Given the results of the program as well as the cost constraints in 2016, CHO is moving to end this pilot at the close of the year.

CHO's Chronic Illness Support Program (CISP) continues to waive co-payments on certain plans for Tier 1 drugs specific to the proper management of five major chronic conditions on certain plans throughout our pharmacy network. Community Health Options Members do not need to apply for that program, but simply need to have their prescriptions filled. Adjustments to those claims occur at the point of sale and are automatic. The 2016 HDHP Preventive Drug list will still be available for some HSA-compatible group plans.

[For more information, a PDF from Community Health Options.](#)

A Glossary of Terms for Health Insurance Open Enrollment

Open enrollment is the time of year when consumers can make changes to their benefits selections. Unfamiliar terms can make this process confusing. We invite everyone to download this handy reference sheet to help in the navigation of benefits

options.

For example:

Coinurance:

The amount or percentage that you pay for certain covered health care services under your health plan. This is typically the amount paid after a deductible is met, and can vary based on the plan design.

Deductible:

A specific dollar amount you pay out of pocket before benefits are available through a health plan. Under some plans, the deductible is waived for certain services.

[Click here for a PDF with many more definitions.](#) (PDF to print and save, new window)

[button name="Visit Our Affordable Care Act webpage" url="http://www.alleninsuranceandfinancial.com/insurance-services/health-life/health-insurance/affordable-care-act/"]

Individual Health Insurance Open Enrollment Starts Nov. 1

Starting Nov. 1, consumers can fill out or update a Health Insurance Marketplace application to enroll, renew, or change plans.

The assistance of an independent insurance advisor, such as those at Allen Insurance and Financial, doesn't cost the consumer anything additional. And working with Allen Insurance and Financial means that when it comes to claims issues or

questions during the plan year, an Allen advisor will be available to answer those questions.

According to Dan Wyman, manager of the insured benefits division at Allen Insurance and Financial, an independent advisor can help explain basic health insurance terminology and can help a consumer calculate the impact of out-of-pocket costs, premiums and deductibles. Wyman notes that it is this kind of assistance that can make an important difference in helping to determine the level of health insurance plan a consumer can afford, with or without a subsidy from the government.

Said Wyman: "Our staff specializes in health insurance. We can explain the differences in plans, right down to the smallest of details. We work with businesses, families and individuals every day to help them pick the insurance plans that best serve their needs."

Call 855-710-5700 or start with information and an online form at AllenIF.com/healthcare.

Maine Community Health Options Policy Holders to Receive Rebates

Community Health Options has announced that it will be issuing more than \$3.3 million in Member premium rebates to individuals and families who were policyholders in 2014. This rebate is a result of solid financial performance by Community Health Options, the increased support of the federal transitional reinsurance program and the medical loss ratio (MLR)

requirement, which is part of the Affordable Care Act (ACA). Rebate amounts vary according to total premium paid by Members in the individual market in 2014. On the whole, the rebates for the 2014 plan year amount to 2.1% of total premiums paid for the year (less taxes and fees) and the average rebate across all Members is approximately \$87. Rebates will be paid by Sept. 30, 2015.

"We are pleased to provide this return of premium back to Members," said Kevin Lewis, CEO of Community Health Options. "The rebate is a measure of our success that allows us to pass through this substantial portion of the federal reinsurance program payments to directly benefit Community Health Options Members. We initially set our rates to allow Members to benefit from the reinsurance program support in the form of lower premiums. The increased aid of the reinsurance program has allowed us to provide the additional rebate."

The federal reinsurance program is one of the mechanisms of the ACA designed to hold down premium pricing in the face of unknown risk due to the widespread entry into coverage of the previously uninsured. In simplest terms, the reinsurance program helps reduce exposure for qualified health plans against large and difficult-to-predict Member claims.

While the initial terms of the temporary reinsurance program were set in time for 2014 rate setting, the program has been modified twice since then, each time making it more generous.

The most recent change was introduced in June 2015 and increased the amount of coverage for qualified health plans from 80% to 100% for claims exposure between \$45,000 and \$250,000.

This boost in reinsurance funds to all qualified health plan issuers altered the medical loss ratios (MLR) by effectively removing the amount allocated to medical claims costs from the equation. This resulted in the unexpected but positive outcome of returning funds back to Members.

The ACA created premium stabilization programs intended to

protect consumers during the initial years of the health care reform law's implementation. The MLR is intended to ensure that 80% of premiums collected are used for medical claims and initiatives that improve the quality of care and no more than 20% of premiums collected are spent on administrative costs.

The MLR is influenced by three inter-related premium stabilization programs commonly referred to as the "3 R's" or Reinsurance, Risk Corridors, and Risk Adjustment.

For more information on the 3Rs, visit: [https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/index.html#Premium Stabilization Programs](https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/index.html#Premium%20Stabilization%20Programs).

About Community Health Options – Community Health Options (Health Options) is a non-profit, Member-led health plan providing comprehensive, Member-focused health insurance benefits for individuals, families, and businesses. Health Options is a Consumer Operated and Oriented Plan (CO-OP) licensed in Maine and New Hampshire that is dedicated to providing affordable, high-quality health benefits through productive partnerships with Members, businesses, and a broad network of providers. For more information about Health Options, visit the website: www.HealthOptions.org