

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.](#)

Community Health Options Freezes Enrollment

Community Health Options (formerly Maine Community Health Options) will stop taking new enrollees for its individual plans on Dec. 26 through the federal marketplace and Dec. 15 for those enrolling directly with the insurer. Harvard Pilgrim and Anthem continue to offer policies through the end of open enrollment.

The deadline for open enrollment for 2016 is Jan. 31, 2016. Individuals who do not have health insurance or an exemption are subject to a penalty via their income tax filing. In 2016, the

penalty is generally \$695 per adult or 2.5 percent of income, whichever is higher.

The CHO announcement does not affect current policyholders or new applicants for group coverage. CHO says it made this decision to contain costs.

If you have questions, please feel free to call our insured benefits division. 207-236-4311

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:

Coinsurance:

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)

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

ACA Requires Most Employers to Send Annual Reports to Employees and the IRS

Beginning in 2016, the Affordable Care Act requires most employers and plan sponsors to send annual reports to employees and the Internal Revenue Service about their health coverage (or lack of it) under Sections 6055 and 6056 of the Internal Revenue Code.

Reports submitted in 2016 will reflect what took place in 2015 (from January to December). The reports will identify all individuals, including dependents, receiving health coverage and all full-time employees of applicable large employers (as defined by the ACA). The reports need to include social security numbers for individuals (employees and dependents) receiving health coverage.

[For more information, visit the IRS website.](#)

Important News for Customers of the Health Insurance Marketplace

Consumers receiving a tax credit or cost-sharing reduction for their health insurance purchased through the federal Marketplace need to be aware of important information tax reporting requirements under the Affordable Care Act.

In order to keep a Advanced Premium Tax Credit (APTC) or income-based cost sharing reduction (CSR), consumers must file Form 8962 as part of their federal tax returns.

- If you have filed a 2014 income tax return with Form 8962, no action is needed.
- If you have not filed with Form 8962, you need to file your 2014 federal tax return and Form 8962 or you will lose your APTC or CSR beginning Jan. 1 (for the 2016 plan year)
- You will also need the Form 1095-A, which the Marketplace should have mailed to you earlier this year.

If you have questions, please refer to the Internal Revenue Service website – irs.gov/aca – or call the IRS at 800-829-0922 or speak with your tax advisor.

Golf Carts – Is Your Insurance Policy in Sync With Your Activities?

Golf carts are being used for transportation beyond the golf course. In addition, Segways, bicycles, scooters, 4-wheelers, Gators and other vehicles are growing in popularity. How well are you protected?

A traditional homeowner's insurance policy may provide automatic liability protection for your watercraft, depending on its size and horsepower. Liability protection for ATVs, golf carts and other small, motorized vehicles may be limited to when the vehicle is being used on your property. At Allen Insurance and Financial, our licensed insurance professionals will consider all of the elements and advise you how to best protect your family and your assets.

You take care of the fun and safety – and we'll help manage the risk.

Make sure your policy is in sync with your activities. Call today about separate small vehicle liability insurance – it's quick and easy to get and you'll be surprised how easily it can fit into your budget.