



A Service of the Maryland Health Benefit Exchange

MEDIA RELEASE

**MARYLAND HEALTH CONNECTION ADDING
ENROLLMENT PERIOD FOR MARYLANDERS UNAWARE
THEY WOULD OWE TAX PENALTY WITHOUT COVERAGE**
Special Enrollment Period will run March 15 through April 30

BALTIMORE (Feb. 25, 2015) — Maryland Health Connection is allowing consumers who owe a tax penalty for not having health coverage in 2014 to still enroll for 2015 coverage through a special enrollment period that will run March 15 through April 30.

Consumers who owe or have paid a tax penalty for not having coverage in 2014 would pay a higher penalty for this year if they also did not enroll for 2015. The open enrollment period to buy a Qualified Health Plan for 2015 ended Feb. 15.

The special enrollment period is 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.

The Federally Facilitated Marketplace, which operates in 37 states through HealthCare.gov, has announced a special enrollment period for a similar purpose from March 15 to April 30. Several states that operate their own health insurance marketplaces like Maryland have already announced similar special enrollments.

“This year’s tax season is the first time that consumers will be asked to provide basic information regarding their health coverage on their federal tax returns. Because this requirement is new, we realize that some Marylanders are unaware that they may face a tax penalty for choosing to forgo health insurance,” said Carolyn Quattrocki, executive director of the Maryland Health Benefit Exchange. “We want to give these consumers, who become aware of the consequences when they prepare their returns, the opportunity to enroll in quality, affordable health coverage instead of paying the penalty for the remainder of 2015. We appreciate that the insurance companies,

brokers and connector organizations who help people sign up for coverage have agreed to support a special enrollment period for this purpose.”

During the special enrollment period, if a consumer enrolls in a private Qualified Health Plan from March 15 to March 18, coverage would take effect April 1. If they enroll from March 19 to April 18, coverage would take effect May 1. And if they enroll from April 19 to April 30, coverage would begin June 1. All plans run through Dec. 31.

Individuals who enroll for 2015 coverage that begins May 1 or June 1 would still owe a fee for the months they were uninsured and did not receive an exemption. The special enrollment period is designed to allow such individuals the opportunity to get covered for the remainder of the year and avoid additional fees for 2015.

The tax penalty imposed for individuals who did not have health coverage in 2014 is 1 percent of gross household income over the federal income tax filing threshold, or \$95 per individual – whichever is greater. For 2015, the penalty increases to 2 percent of gross household income over the federal income tax filing threshold, or \$325 per individual – whichever is greater.

Marylanders who are eligible for Medicaid are not affected. People can apply for Medicaid at any time and enroll year-round. Marylanders who are eligible for Medicaid may have coverage starting immediately.

Awareness of the tax penalty was inconsistent, according to various surveys.

According to the Urban Institute and the Robert Wood Johnson Foundation, in a December phone survey conducted across the country of uninsured adults, ages 18 to 64, with family incomes above 100 percent of the federal poverty level (FPL) who were most likely to be subject to a penalty for lacking health coverage:

- 25 percent said they had heard nothing about a penalty.
- 19 percent said they heard a little.
- 54 percent said they heard a lot.

Regarding awareness of the enrollment deadline:

- 33 percent thought the deadline was during February 2015 or earlier.
- 30 percent had heard nothing about the marketplaces so knew nothing about a deadline.
- 29 percent knew about the marketplaces but didn't know about the deadline.

Meanwhile, in a survey of 800 Marylanders in August 2014 by KRC Research conducted for Maryland Health Connection, 69 percent of uninsured Marylanders said it is “important to them that those who do not have insurance after January 2014 will have to pay a fine.”

Most U.S. taxpayers — about three quarters — will check a box when they file their taxes this year to indicate that they had health coverage in 2014 through an employer, Medicare, Medicaid, veterans care or other qualified health coverage that qualifies as “minimum essential coverage.” The rest will either qualify for an exemption from the requirement due to income or other reasons or will pay a fee because they did not obtain coverage and are not eligible for an exemption.

Marylanders can enroll online at MarylandHealthConnection.gov, by calling 855-642-8572 or through in-person assistance also listed on the website.

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About Maryland Health Benefit Exchange: The Maryland Health Benefit Exchange (MHBE) is a public corporation and independent unit of state government established in April 2011 in accordance with the Patient Protection and Affordable Care Act of 2010 (ACA). It is responsible for the administration of Maryland Health Connection. www.MarylandHBE.com

About Maryland Health Connection: Maryland Health Connection (MHC) is the state-based health insurance marketplace for individuals and families to compare and enroll in health insurance, as well as determine eligibility for Medicaid and other assistance programs, federal tax credits and cost-sharing reductions. MarylandHealthConnection.gov

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