



## Turning 26: Your Guide to Health Insurance

Thanks to the Affordable Care Act (ACA), many young people choose to stay on their parent's health insurance for as long as possible, and with good reason. The historic healthcare law, also known as Obamacare, allows young adults to stay on their parent's health plan until they turn 26, no matter what.

Married? In school? Not living with your parents? Not financially reliant on your parents? Eligible to enroll in your employer's health insurance plan? Even if any or all of these apply to you, you can still stay insured through your parents' coverage.

For those with a 26th birthday on the horizon, knowing the world of health insurance may be a new challenge. However, signing up for coverage can be easier than you think. Here's what you need to know to get you ready to start shopping for a new health insurance plan.

## Do I lose health insurance when I turn 26?

The exact time period when a person loses coverage from their parent's plan depends on their parent's health insurance. Be sure to check the details of your parents' plan before it's time to blow out the birthday candles.

- **If your parent has a Marketplace plan**, you'll have until the last day of the month you turn 26 to sign up for your own health insurance depending on the State you live in. If you want your new coverage to take effect on January 1st of the following year, you must complete your enrollment by the Open Enrollment deadline. That date is December 15th in most states.
- **If your parent is covered by an employer-sponsored plan:** Coverage under your parent's employer-sponsored health insurance plan will end on the last day of your birth month. For example, if your birthday is March 15, your health insurance coverage will end on March 30 (the last day of that month), fifteen days after your 26th birthday.

Health insurance plans can have various rules so it's a good idea to check when your coverage will end. If your parent is insured through an employer-provided plan, your parent's HR department should be able to help get the information you need. If your parent purchased their own insurance through the Marketplace, a Consumer Advocate like the experts at Total Benefit Solutions, Inc could help you assess what you'll need to know about getting a plan on your own. You can reach them at (215)355-2121

## What are Special Enrollment Periods?

Special Enrollment Periods (SEPs) occur when a person experiences a qualifying life event (QLE). QLEs are the things that allow you to enroll in health insurance outside of the annual Open Enrollment Period. Turning 26 is a qualifying life event that can activate one of these SEPs. Ask us for more information on Special Enrollment Periods and Qualifying Life Events.

## How long do I have to enroll in health coverage after turning 26?

When a person turns 26, they have 120 days to enroll in their own healthcare coverage. This includes 60 days before they turn 26, and 60 days after.

Want your plan to begin on the first of the following month? A good rule of thumb is to sign up for your new plan no later than the 15th of the month preceding when you want your new coverage to start. For example, if you want your new health insurance to start on October 1st, you'll need to enroll in a plan no later than September 15th. And remember, you'll have 120 days to get this completed during your Special Enrollment Period.

If you fail to apply for health insurance during your Special Enrollment Period, you'll most likely have to wait until the next Open Enrollment begins in the fall. And without insurance coverage in the interim, you put yourself at risk in terms of your finances and health. Especially should you have to deal with an unexpected medical emergency while you're in a coverage gap.

## What are my different health insurance options?

1. **Enroll in your employer's group plan.** If a person qualifies for health coverage under their employer's group health insurance policy, they can enroll before turning 26. But the employer-sponsored coverage won't take effect until they are no longer on their parent's health insurance plan. If you were covered under your parent's employer group plan, you will have 60 days to enroll in a new plan after losing that coverage.
2. **Buy an individual plan on the ACA Marketplace.** If a person is self-employed, unemployed, or cannot get health insurance through their job, they have the option to shop for a plan on the ACA Marketplace either through HealthCare.gov or an approved partner like Total Benefit Solutions, Inc. When you apply for Marketplace coverage, you'll also find out whether you qualify for Medicaid, and if you're eligible to receive subsidies — premium tax credits and cost-sharing reductions that offset your healthcare costs.
3. **Purchase coverage from an insurance company.** Private plans and insurance products outside of the health insurance Marketplace are available directly through different carriers, such as Cigna, Ambetter, or Blue Cross Blue Shield. But why do all the work on your own when you can...
4. **Enroll through a broker or agent.** Brokers and agents can help recent 26-year-olds navigate their enrollment options and compare different plans. Note that brokers sell plans offered by several different insurance companies; agents typically sell plans on behalf of just one company. Using the services of an agent or broker should be free. If a broker or agent is trying to charge you, you should look elsewhere. Consumers should not have to pay any fees to use their services. A broker can also talk to you about short term medical and any other options that may be available to you in your state.

## What should I consider before I enroll?

Start by assessing both your medical care needs and your financial situation. Different plans offer different levels of coverage. Though all Marketplace insurance plans offer a wide range of preventive services at no cost to you

Consider the costs of monthly premiums, deductibles, and prescription drugs when evaluating various plans. That way, you'll be able to best assess the kind of coverage that is best for you. Some plans have higher monthly premiums, but offer lower copayments, deductibles and out-of-pocket maximums. Plans with lower monthly premiums have higher rates associated with using the plan when you need it.

## How do I enroll in health coverage?

If you want to apply for health insurance through the Marketplace, the first step is to get a quote. This process takes less than 5 minutes and will determine if you're eligible for savings. After that, you'll choose the Qualifying Life Event that makes you eligible to enroll during a Special Enrollment Period. If you're turning 26, your QLE is aging out of your parents' health insurance.

Then you can shop and compare plans. Once you choose the best one for you, you can fill out your health insurance application. After that, you'll need to make your first premium payment and then you're all set.

If you do enroll during a Special Enrollment Period, you'll have to submit documentation that proves you're losing coverage. Note that if you enroll during Open Enrollment, you won't need to list a qualifying life event or submit documentation.

Inside your online portal, you can access information about your coverage, find out how much your prescriptions cost, search for and choose a new doctor, report life changes to the Marketplace, download tax forms, and more.

People enrolling in private insurance through their employer must contact their human resources department to begin the enrollment process.

Enrollment for Medicaid or CHIP is open all year.

## What if I can't afford health insurance?

There are options if you're aging out of your parents' health insurance, but can't afford coverage on your own:

1. **Medicaid:** Many states have opted to expand Medicaid eligibility for people making below 138% of the poverty level. In 2017, the poverty level was a yearly income of \$12,060 for an individual, according to the Department of Health and

Human Services. Some States offer more Medicaid options, yours may be different.

2. **Short-term plans:** Some people enroll in short term health insurance if they expect to have a gap in coverage. However, we wouldn't recommend them. They don't have the same provisions as the ACA and can be very limited. These plans do not have to cover Essential Health Benefits. And short-term plans can also deny you coverage based on a pre-existing condition.
3. **Subsidies and tax credits:** Many Americans are eligible for savings when they enroll in health insurance through the Marketplace. These include premium tax credits and cost-sharing reductions which can lower the amount you spend towards your premium, deductible, copayments, and out-of-pocket costs.

## What if I decide to go without health insurance?

The cost of emergency medical care is often more than premiums, deductibles, and copayments combined. Staying insured is one of the most straightforward ways to protect both your finances and your health.

## Can I stay on my parent's health insurance after 26 if I'm disabled?

In order to stay on a parent's health insurance after turning 26, an adult with a disability would have to live in a certain state that allows for such caveats and have a disability that qualifies. A person in this scenario can check with their healthcare plan to see if they qualify.

Before the Affordable Care Act, young adults aging off of their parent's health insurance coverage had few options for obtaining health insurance. Since the ACA became the law of the land, though, if you have a 26th birthday coming up, you should begin to set aside some time to learn about your health insurance options and enrollment deadlines.

With a little homework, it's easy to make aging off a parent's plan a lot less stressful. The professionals at Total Benefit Solutions are familiar with the healthcare.gov Marketplace along with many State marketplaces as well. They are impartial and will advocate for you all year long. Even if you already have an account on healthcare.gov, Pennie or GetCoveredNJ they can navigate through the maze of choices with you at initial enrollment and every year on open enrollment. Contact Total Benefit Solutions today at (215)355-2121 or find us on the web at [www.totalbenefits.net](http://www.totalbenefits.net)



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