



POLICY ROADMAP: HARDSHIP EXEMPTIONS AND SPECIAL ENROLLMENT PERIOD VERIFICATIONS

Connect for Health Colorado Policy Committee
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Hardship Exemption Background

Under the ACA, catastrophic plans are available to individuals under the age of 30 or to any individual of any age with a hardship exemption or affordability exemption (based on Marketplace or job-based insurance being unaffordable).

Some of the hardship exemptions include:

- Homelessness
- Evicted in the past 6 months
- Domestic Violence
- Death of close family member
- Fire/Flood/Other natural disaster to your property
- Bankruptcy in the last 6 months
- Expecting a child
- Current health plan being cancelled

Current Process to apply for Hardship Exemption

- Customer mails exemption application and supporting documentation about hardship to HHS.
- Wait for HHS to process exemption.*
- If hardship exemption is granted, customer goes through Exchange application and enters exemption number.

*There is no specific time-frame for HHS to process these; however, application suggests a minimum of 30 days.

Current Process to apply for Affordability Exemption

Currently, in order to obtain an affordability exemption to purchase catastrophic coverage, a customer in Colorado must go through the following steps:

- 1) Apply for financial assistance through Connect for Health Colorado
- 2) Send exemption application, proof of income, copy of notice showing APTC eligibility determination, and a screenshot showing the lowest cost exchange plan available to the household to HHS
- 3) Wait for HHS to process hardship exemption
- 4) If hardship exemption is granted, go back through the Exchange application process and enter hardship exemption number

Benefits of Processing Hardship Exemptions

- Current process for applying for a hardship exemption is cumbersome and time consuming.
- Bringing this process in house would allow Connect for Health Colorado to expedite the process for consumers and reduce the amount of information that the customer collects and submits.
- Exchange would be able to access relevant plan information for affordability exemption, removing that extra step from the customer.

Next steps

- Cost estimate and technology requirements from HHS
- Determine level of effort among internal teams
- Establish timeline for implementation
 - Proposed timing: Plan Year 2021 – develop and stand up process, including required data transfers to IRS.

Special Enrollment Period Verification

- DOI Amended Regulation 4-2-43 established the requirement for carriers to create a Special Enrollment Period (SEP) verification process.
- This process requires the customer to submit verification of their SEP directly to the carrier.
- If the carrier denies the SEP verification, the customer may appeal the decision to the Exchange.

Next Steps

- Determine level of effort among internal teams.
 - As of August 2, 2019 there were 25,063 submitted Connect for Health Colorado SEP enrollments for the 2019 plan year.
- DOI Amended Regulation 4-2-43 would need to be amended to bring SEP verification under the Exchange's authority.
- Proposed timeline: 2021

Questions?