

What to Know about Insurance Coverage Cancellation

What's a coverage notice?

Individual health insurance is usually sold as a 12-month contract between you and an insurance company. At the end of the contract period, the insurance company may send you a notice stating that it's choosing either to discontinue (cancel) or renew the coverage, possibly with some changes. Some of the changes are made to meet federal and state requirements. Thousands of people get these notices every year.

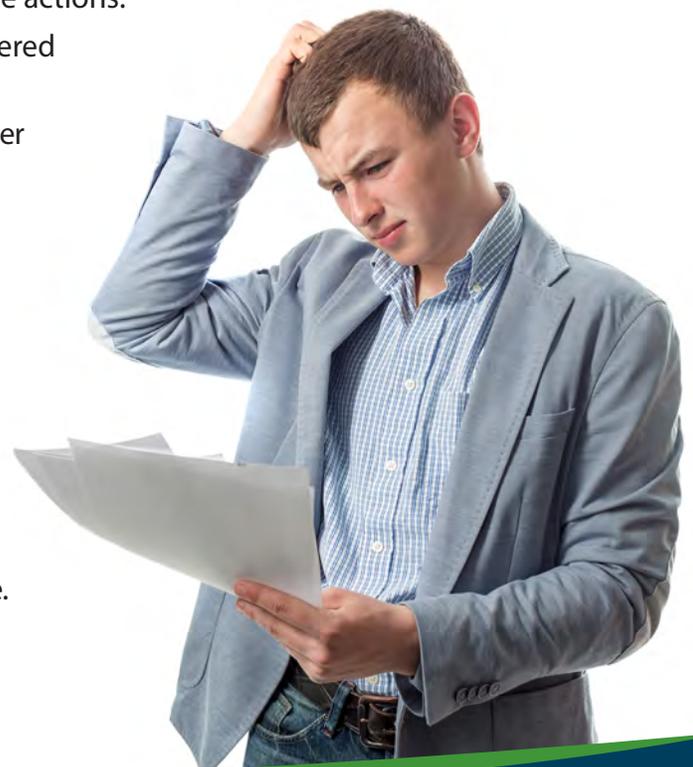
Most health plans sold to individuals and families must cover a minimum set of essential health benefits and provide certain consumer protections.

What are health insurance companies required to do?

Under the Health Insurance Portability and Accountability Act (HIPAA), a law in place before the Affordable Care Act was passed, individual plans are generally "guaranteed renewable" at the end of the 12-month contract, although the health insurance company that offers them can increase premiums, increase cost-sharing, and/or reduce the scope of benefits covered. The health insurance company may stop offering the plan entirely if it takes these actions:

- Provide at least 90 days notice in writing to each covered individual.
- Offer each covered individual the option to buy any other individual plan it offers to individuals in that market.
- Treat all covered individuals the same, regardless of health status.
- Follow any additional state requirements.

The only time a health insurance company can cancel your coverage without offering you the chance to buy a new plan is if it cancels all its health insurance in a state's individual market. If it stops all coverage, it can't offer coverage in that state's individual market again for 5 years. It also must notify the state and all policyholders of its decision in writing at least 180 days before stopping coverage.



If your health insurance company gives you the option to renew your coverage in a plan that doesn't include the minimum set of essential health benefits and certain consumer protections, it must send you a letter notifying you of this option. Your health insurance company may be able to give you this option even if it already told you that your plan's being cancelled.

If you're concerned your health insurance company isn't following these requirements, contact your State Department of Insurance.

What are health insurance companies not allowed to do?

Health insurance companies can't market in a way that discourages people with significant health needs from enrolling in their plans. A health insurance company might violate this requirement if it provides renewal notices that discourage certain enrollees from buying particular products (like individual plans that cover a minimum set of essential health benefits and provide certain consumer protections, including qualified health plans in the Marketplace).

How can I find health coverage?

You have rights and benefits to help you get the health coverage you need. You have the right to buy any other individual plan offered by your health insurance company that you're eligible for, or by any other insurer offering plans either through the Marketplace or outside the Marketplace. Visit [HealthCare.gov](https://www.healthcare.gov) or call the Marketplace Call Center at 1-800-318-2596 for more information. TTY users should call 1-855-889-4325.

All Marketplace health plans cover the same core set of essential health benefits. You can compare plans based on price, benefits, and other features before you make a choice.

If you got a cancellation notice from your health insurance company, you have several options:

- Buy one of the plans the company offers in its place. The health insurance company must allow you to buy any of its other plans available to you.
- Apply for new coverage through the Marketplace. Visit [HealthCare.gov/lower-costs/qualifying-for-lower-costs/](https://www.healthcare.gov/lower-costs/qualifying-for-lower-costs/) to learn more about qualifying for lower costs on monthly premiums and out-of-pocket costs based on your income. All Marketplace plans include the new rights and protections.
- Buy a plan outside the Marketplace. Visit [HealthCare.gov/apply-and-enroll/income-too-high-for-tax-credit/](https://www.healthcare.gov/apply-and-enroll/income-too-high-for-tax-credit/) to see how you can get covered if you don't qualify for lower costs based on your income. Most plans outside the Marketplace include the new rights and protections.

Additional option if your plan is cancelled: a Catastrophic plan

If your plan has been cancelled and you can't afford a Marketplace plan to replace it, you can apply for a hardship exemption. This may allow you to buy a Catastrophic plan, which is generally available for people

under 30, and for people who qualify for a hardship exemption. A Catastrophic plan generally requires you to pay all of your medical costs up to a certain amount, usually several thousand dollars. These policies usually have lower premiums than a comprehensive plan, but cover you only if you need a lot of care. They basically protect you from worst-case scenarios. Visit [HealthCare.gov/fees-exemptions/](https://www.healthcare.gov/fees-exemptions/) to learn more about applying for a hardship exemption. For more information about Catastrophic plans, visit [HealthCare.gov/choose-a-plan/catastrophic-plans/](https://www.healthcare.gov/choose-a-plan/catastrophic-plans/).

How to get a Catastrophic plan

- Call 1-866-837-0677, a special phone number for people whose plans have been cancelled, 9 a.m. – 7 p.m. (ET) Monday through Friday. The hotline will operate Saturday and Sunday from 9 a.m. – 5 p.m. through January. Hotline operators can help you understand your options. If you want to buy a Catastrophic plan, they can provide information, plan options, and contact numbers.
- Visit [HealthCare.gov/catastrophic-plan-information/](https://www.healthcare.gov/catastrophic-plan-information/) to download and fill out an application for a hardship exemption. Provide this application to an insurance company selling Catastrophic plans to show that you qualify to buy one. Be sure to include a copy of your cancellation notice. The insurance company will send the application to the Marketplace. We'll confirm that you're eligible for a hardship exemption later, but you can buy a Catastrophic plan right now.
Note: When you fill out the form, be sure to answer that #13 is your reason for applying — that your individual policy has been cancelled and you feel you can't afford coverage in the Marketplace.
- See a list of Catastrophic plans available in your area by visiting [HealthCare.gov/catastrophic-plan-information/](https://www.healthcare.gov/catastrophic-plan-information/). The list includes plan and company names and contact information. You can call the insurance companies directly to buy a Catastrophic plan.

What if my health insurance company enrolled me in a new plan?

If your plan was cancelled and your health insurance company already enrolled you in a new plan, you can still switch to a Marketplace plan or a plan offered outside the Marketplace during Open Enrollment, from November 1, 2015 – January 31, 2016. If your plan is cancelled on or after February 1, you generally have 60 days to enroll in a Marketplace plan or a plan offered outside the Marketplace.

Remember, if you buy a plan through the Marketplace, you may qualify for lower monthly premiums and out-of-pocket costs based on your household income and family size. If you buy health insurance outside the Marketplace, you won't get these savings.

You can find out what you might qualify for through the Marketplace before you decide whether to enroll in the plan recommended by your health insurance company. You do this by filling out a Marketplace

application. If you have an individual insurance plan and want to be considered for lower costs, when you get to the part of the application asking about any existing coverage, be sure to check the box that says "Individual insurance (non-group coverage)." Don't check the box for other types of coverage unless you have that, too. This way, the Marketplace can make sure you get the lowest possible costs.

How can I learn more?

If you got a cancellation notice from your health insurance company and want additional information about your options, you can:

- Visit **HealthCare.gov**.
- Contact the Marketplace Call Center at 1-800-318-2596. TTY users should call 1-855-889-4325. The call center is available 24/7 and a representative can help you complete the entire application process from beginning to end with information you provide over the phone, including reviewing your options and helping you enroll in a plan. We can also help to answer questions as you apply and enroll on your own.
- Call 1-866-837-0677. This hotline is dedicated to consumers with cancelled policies. A representative will help you find coverage. They can explain the options available for replacing or renewing a cancelled plan. You can call from 9 a.m. – 7 p.m. (ET) Monday through Friday. The hotline will operate Saturday and Sunday from 9 a.m. – 5 p.m. through January.

