



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
INDIVIDUAL HEALTH COVERAGE PROGRAM

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NJ Protect Coverage Ends April 30, 2014
Options for Enrollment

April 24, 2014

Dear NJ Protect Enrollee,

As explained in the enclosed bulletin from the Federal government, all PCIP coverage will end on April 30, 2014. The PCIP coverage in New Jersey is called NJ Protect. All NJ Protect enrollees who paid the premium for April coverage will lose NJ Protect coverage at midnight on April 30, 2014. This means any services you receive on May 1 or later will not be covered unless you act quickly to buy replacement coverage. Note that if you did not pay the premium for April, coverage ended as of the date to which premium was paid. The following information only applies to NJ Protect enrollees who paid the April premium and whose coverage will end April 30, 2014.

How to Enroll for Coverage for May 1, 2014 and avoid having a gap in coverage

You can enroll in new coverage either "Through the Marketplace" or "Outside the Marketplace" as explained below.

Buying Through the Marketplace

The Marketplace is allowing a Special Enrollment Period for PCIP enrollees that begins May 1 and ends 60 days later on June 30. If you apply through the Marketplace at any time during this 60-day period you will be issued a new policy with an effective date *retroactive to May 1, 2014*. The coverage must be retroactive to May 1 and you *cannot* buy a new policy with coverage retroactive to June 1. Call the Marketplace Call Center at 1-800-318-2596. TTY users should call 1-855-889-4325. Visit LocalHelp.HealthCare.gov to find different types of application assisters (such as Navigators, certified application counselors, and other assisters) in your area. Be sure to explain that you were a PCIP NJ Protect enrollee whose coverage ended on April 30th so the people helping you will understand that you are entitled to this Special Enrollment Period that will allow you to buy coverage with a retroactive effective date of May 1.

While the retroactive effective date will allow you to avoid a gap in coverage, it is important for you to understand what this may mean for you. If you need any services *before* you call the Marketplace to enroll for a new policy and you do not have your new ID card, you will have to be prepared to pay for the services out of your pocket. Once your new policy is in place you will be able to submit the bills you paid for reimbursement under the new policy. The reimbursement will be subject to any copays, deductible and coinsurance required under your new policy which means you will not be reimbursed dollar for dollar.

An example might help. Suppose you need to go to a specialist on May 5, 2014. When you check-in you will not have an insurance ID card. The doctor's office will probably require you to pay the bill before you leave the office. If the charge is \$300, you will have to be able to pay \$300 on the spot. If your new policy has a \$50 specialist copay you will be reimbursed \$300 - \$50, and get \$250 back. If you need hospital care on May 5th the charges would be quite a bit higher and you will need to be prepared to make arrangements to pay for the services you may receive.

Coverage Ends April 30, 2014

Important Note! When selecting a new policy, be sure to select a policy that has a network of doctors and hospitals that includes the doctors or hospitals you used before you enrolled for coverage!

Buying Outside the Marketplace

If you decide to buy individual coverage outside of the Marketplace you can apply up to April 30, 2014 and get a policy that will be effective on May 1, 2014. Visit www.dobi.nj.gov/ihc/ for the list of insurance companies offering coverage off the Marketplace, information on the individual plans and the costs for those plans. The termination of your NJ Protect coverage gives you the opportunity to apply for coverage now. Enrolling is as easy. Call any of the companies selling individual policies in New Jersey and the representative will help you get coverage in place for May 1st. Be sure to ask how you can access services even before your new ID card will arrive.

Important Note! If you buy coverage outside the Marketplace that is effective May 1, 2014 you will not need to be concerned with paying up front and then requesting reimbursement. Your new policy will be in place for May 1.

How to Enroll for Coverage with an Effective Date Up to July 1, 2014 - Option Only Available Outside the Marketplace

While we do not recommend that anyone has a gap in coverage, it is possible for NJ Protect enrollees to apply for a policy that will be effective after May 1. The loss of NJ Protect coverage on April 30, 2014 creates an enrollment period of 60 days during which you can buy coverage with a *prospective* effective date. This enrollment period is available only for coverage bought outside the Marketplace. You will need to provide proof that your policy ended April 30th. A copy of my letter along with the certificate of creditable coverage you will receive from your NJ Protect insurer will be the proof.

If you buy outside the Marketplace the effective date of coverage will be no later than the 1st of the month following the date you apply and pay the first premium. Some companies allow a 15th of the month effective date which means you could have coverage earlier than the 1st. For example, if you apply for a new policy June 14th the effective date will be no later than July 1. If the company allows 15th of the month effective dates, the policy would be effective July 15. The gap in coverage will never be longer than 30 days. Visit www.dobi.nj.gov/ihc/.

The last date you can apply for a new policy with a prospective effective date will be June 30.

Later Effective Dates

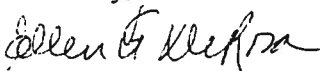
If you do not apply for new coverage by June 30th you will have to wait until the annual open enrollment period that begins November 15th and coverage will not be effective until January 1, 2015.

What happens if You Do Not Buy a New Policy?

In addition to being uninsured, you could be required to pay the shared responsibility payment. For information on the shared responsibility payment you can visit www.healthcare.gov.

If you have questions about buying new coverage please contact me. My email address is ellen.derosa@dobi.state.nj.us and my phone number is 609-633-1882 ext. 50302.

Sincerely,



Ellen F. DeRosa
Executive Director

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



Date: April 24, 2014

Subject: Special Enrollment Period for Individuals Losing Coverage through the Pre-Existing Condition Insurance Program (PCIP) on April 30, 2014

Section 1101 of the Affordable Care Act establishes a “temporary high risk health insurance pool program” to provide health coverage to eligible uninsured individuals with pre-existing conditions. The program, carried out by the Centers for Medicare and Medicaid Services (CMS) directly in some states and through contracts in other states and known as the Pre-Existing Condition Insurance Program (PCIP), has provided coverage to these eligible individuals since 2010. Section 1101(g)(3)(B) authorizes the Secretary of HHS to develop procedures to provide for the transition of PCIP enrollees into qualified health plans offered through an Exchange (also called Health Insurance Marketplace). This section also requires the Secretary of HHS to develop procedures to ensure that there is no lapse in coverage for these enrollees, including extending coverage after plan termination if she determines that an extension is necessary to avoid such a lapse. While the majority of enrollees transitioned out of PCIP coverage on January 1, 2014, the Secretary determined that an extension of PCIP coverage was necessary to avoid a lapse in coverage for PCIP enrollees who, on January 1, 2014, were not yet enrolled in other coverage. Thus, these individuals were offered transitional coverage beginning on January 1, 2014 and extending through April 30, 2014.

The open enrollment period for enrollment in an individual Marketplace plan for the 2014 coverage year ended on March 31, 2014. In order to ensure that eligible individuals who are losing coverage through PCIP by virtue of the program’s termination can avoid a lapse in coverage, CMS is providing a special enrollment period for enrollment in a qualified health plan offered through the Federally-facilitated Marketplace in 2014. State-based Marketplaces (SBMs) are adopting a similar special enrollment period.

45 CFR 155.420(d)(9) specifies that a special enrollment period must be provided when: “[t]he qualified individual or enrollee, or his or her dependent, demonstrates to the Exchange, in accordance with guidelines issued by HHS, that the individual meets other exceptional circumstances as the Exchange may provide.”

In accordance with this provision, HHS is providing that an individual who is losing coverage through PCIP by virtue of the program’s termination, and his or her dependents, as defined in 45 CFR 155.420(a)(2), has experienced “exceptional circumstances.” Accordingly, a Marketplace will determine such an individual and his or her dependents eligible for a special enrollment period if otherwise eligible for enrollment in a qualified health plan (QHP). PCIP enrollees may contact the Marketplace Call Center before May 1, 2014 to begin the application process. PCIP enrollees will have until June 30th, 2014 to select a plan. If the consumer is otherwise eligible to

enroll in a qualified health plan, coverage will be effective back to May 1 for anyone who uses this special enrollment period. Consumers who are Medicaid eligible may enroll throughout the year without a special enrollment period and will follow the Medicaid program's rules on retroactive eligibility.

PCIP Coverage Ends April 30

Fact Sheet

Benefits coverage for current enrollees in the Pre-Existing Condition Insurance Plan (PCIP) will end on April 30, 2014. PCIP benefits will not be extended to May. The Centers for Medicare and Medicaid Services (CMS) released a bulletin today that provides a 60-day special enrollment period due to "exceptional circumstances" for individuals remaining in the program who have not found new coverage that begins on May 1.

Bulletin on the special enrollment period for PCIP enrollees

The Pre-Existing Condition Insurance Plan (PCIP) has offered four months of transitional PCIP coverage in 2014. In the Affordable Care Act, Congress gave CMS the authority to extend PCIP coverage beyond 2013 to avoid a break in coverage for PCIP enrollees transitioning into coverage offered through the Marketplace. The initial enrollment period for the Marketplace for the 2014 coverage year ended on March 31, 2014.

In order to ensure that eligible individuals remaining in the program can avoid a break in coverage when PCIP terminates on April 30, CMS is providing a 60-day special enrollment period, beginning on May 1, for enrollment in a qualified health plan offered through the Federally-facilitated Marketplace in 2014. State-based Marketplaces are adopting a similar special enrollment period. PCIP enrollees will have until June 30, 2014 to select a plan. If the enrollee is otherwise eligible to enroll in a qualified health plan, coverage will be effective back to May 1 for anyone who uses this special enrollment period.

Federal regulations [45 CFR 155.420(d)(9)] specify that a special enrollment period must be provided when an enrollee demonstrates to the Exchange, in accordance with guidelines issued by the Department of Health and Human Services (HHS), that they have met other exceptional circumstances "as the Exchange may provide." In accordance with this provision, HHS is providing that an individual, who is losing coverage through PCIP by virtue of the program's termination, as defined in 45 CFR 155.420(a)(2), has experienced "exceptional circumstances. Accordingly, the Federally-facilitated Marketplace will determine a PCIP enrollee eligible for a special enrollment period if otherwise eligible for enrollment in a qualified health plan.