



Individual Health Insurance Marketplace FAQs Purdue Pre-65 Retiree



Maria Pearson

Q: What is a Health Insurance Marketplace?

A: The Health Insurance Marketplace (Marketplace) is a way to find health coverage that fits your budget and meets your needs. The Marketplace is sometimes known as a health insurance Exchange. Insurance plans in the Marketplace are offered by private companies, and they all cover the same core set of benefits, known as essential health benefits. No plan can turn you away or charge you more because you have an illness or medical condition, and plans can't charge women more than men.

Q: What does Marketplace health insurance cover?

A: All private health insurance plans offered in the Marketplace offer the same set of essential health benefits.

These benefits include at least the following items and services:

- Ambulatory patient services (outpatient care you get without being admitted to a hospital)
- Emergency services
- Hospitalization
- Maternity and newborn care (care before and after your baby is born)
- Mental health and substance use disorder services, including behavioral health treatment (this includes counseling and psychotherapy)
- Prescription drugs
- Rehabilitative and habilitative services and devices (services and devices to help people with injuries, disabilities or chronic conditions gain or recover mental and physical skills)
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services

Q: Am I eligible for coverage in the Marketplace?

A: Most people are eligible for health coverage through the Marketplace.

To be eligible for health coverage through the Marketplace, you:

- Must live in the United States
- Must be a U.S. citizen or national (or be lawfully present)
- Can't be currently incarcerated

Q: How much does Marketplace health insurance cost?

A: All insurance plans available through the Marketplace are offered by private insurance companies. They decide which plans to offer and how much each costs.

All Marketplace plans must be approved by state insurance departments and certified by the Marketplace. Prices are approved by state insurance departments as required by state law.

When you use the Marketplace to compare plans, you'll see prices for all plans available to you. Prices show any cost savings you may be eligible for based on your income. These lower costs are available only in the Marketplace.

Q: When can I apply for Marketplace coverage?

A: Open enrollment in the Marketplace is a limited time of the year. The open enrollment period for 2025 is Nov. 1, 2024, to Jan 15, 2025. You must apply by December 15th for a January 1, 2025, effective date. Any application done December 16 to January 15 will be effective February 1.

Q: Can I keep my own doctor?

A: That depends on the plan or network you are in. Most health insurance plans offered in the Marketplace have networks of hospitals, doctors, specialists, pharmacies and other health care providers. Networks include health care providers that the plan contracts with to take care of the plan's members. Depending on the type of policy you buy, care may be covered only when you get care from a network provider.

When comparing plans in the Marketplace, you will see a link to a list of providers in each plan's network. If staying with your current doctor is important to you, check to see whether he or she is included before choosing a plan.

Q: What if I have a pre-existing health condition?

A: Being sick doesn't keep you from getting coverage. An insurance company can't turn you down or charge you more because of your condition. Pre-existing conditions are covered fully on the effective date.

Q: How do I make sure my specific medication will be covered?

A: If you need a specific drug, you may use the link provided on the quoting tool to view coverage for the medicine. Generics are generally covered very well, and many people use programs like GoodRx or ScriptSave to purchase medications as well.

Q: What range of prices and plans are available?

A: Some Marketplace health plans have lower monthly premiums and may charge you more out-of-pocket costs when you need care. Some are higher-premium plans that cover more of your costs when you need care. Others fall in between. All plans cover the same essential health benefits.

Q: How can I get lower costs on Marketplace coverage?

A: When you use the Marketplace, you may be able to get lower costs on monthly premiums or out-of-pocket costs or get free or low-cost coverage.

You can save money in the Marketplace in three ways. All of them depend on your income and family size.

1. You may be able to lower costs on your monthly premiums when you enroll in a private health insurance plan.
2. You may qualify for lower out-of-pocket costs for copayments, coinsurance and deductibles.
3. You or your child may get free or low-cost coverage through Medicaid or CHIP.

When you fill out your Marketplace application, you'll find out how much you can save. Most people who apply will qualify for lower costs of some kind.

Q: Will I qualify for lower costs on monthly premiums?

A: When you get health insurance coverage in the Marketplace, you may be able to get a premium tax credit that lowers what you pay in monthly premiums. This will depend on your household size and income. When you fill out a Marketplace application, you'll report your household size and income. If your income falls between the amounts shown below, you'll qualify for a premium tax credit that you can apply directly to your monthly premiums. This means you'll pay less money to your health insurance company each month.

If your income falls within the following ranges, you'll generally qualify for a premium tax credit. The lower your income is within these ranges, the bigger your credit. *(The amounts below are based on 2021 numbers.)*

- \$12,760 to \$51,040 for individuals
- \$17,240 to \$37,960 for a family of two
- \$21,720 to \$58,740 for a family of three
- \$26,200 to \$107,400 for a family of four
- \$30,680 to \$156,060 for a family of five
- \$35,160 to \$204,720 for a family of six

The marketplace no longer uses a set income chart.

Subsidy will be determined so that you will not spend more than 8.5% of your income on health insurance premiums.

Incomes that qualify for tax credits are higher in Alaska and Hawaii.

You may also be able to get lower out-of-pocket costs, depending on your income and family size.

Q: How do I report my income and household size?

A: If you want to find out whether you qualify for lower costs on Marketplace coverage, you'll need to provide information about your household members and income.

When filling out your application, include:

- Yourself
- Your spouse
- Your children who live with you, even if they make enough money to file a tax return themselves
- Your unmarried partner who needs health coverage
- Anyone you include on your tax return as a dependent, even if he or she doesn't live with you
- Anyone else under 21 who you take care of and lives with you

To estimate your household income :

Start by adding up the following items for (1) yourself and your spouse, if you are married and will file a joint tax return and (2) any dependents who make enough money to be required to file a tax return:

- Wages
- Salaries
- Tips
- Net income from any self-employment or business (generally the amount of money you take in from your business minus your business expenses)
- Unemployment compensation
- Social Security payments, including disability payments—but not Supplemental Security Income (SSI)
- Alimony

Other kinds of income to include when estimating your income are retirement income, investment income, pension income, rental income and other taxable income such as prizes, awards and gambling winnings. You should not include the following when estimating your income: child support, gifts, Social Security insurance, veterans' disability payments, workers' compensation and proceeds from loans (such as student loans, home equity loans or bank loans).

Q: What is modified adjusted gross income (MAGI)?

A: MAGI is generally your household's adjusted gross income plus any tax-exempt Social Security, interest and foreign income you have. It's used to determine your eligibility for lower costs on Marketplace coverage, and for Medicaid and CHIP.

You don't have to figure out this income yourself. The math will be done for you when you apply .

Q: What happens to someone who has overestimated income and received the wrong subsidy amount for a marketplace plan?

- A: If you received too small a subsidy because you overestimated your income, that amount will be added to your tax refund — if you're receiving one — or it will reduce the amount of tax that you owe. Similarly, if your subsidy was too large because you underestimated your income, you may have to pay some or all of it back. If your income is more than 400 percent of the federal poverty level, you'll owe the full amount of any subsidy overpayment. At lower incomes, the amount that must be repaid is capped.

Q: What's the difference between Marketplace plans and other private plans?

- A: Health insurance through the Marketplace must cover the same set of essential health benefits. They include doctor visits, hospital stays, preventive services, prescription drugs, mental health and other categories of coverage. Only Marketplace plans offer lower costs based on income. When you apply for Marketplace coverage, you'll find out whether you qualify for lower costs on your premiums or out-of-pocket costs. Other private plans like short term health or any carrier requiring medical information will not cover pre-existing conditions and do not provide the essential benefits in most cases.

Q: Can I continue my Health Savings Account (HSA) if I move to an individual policy?

- A: Individual health insurance plans with deductibles and out-of-pocket limits that make them HSA-compatible, are available. You must be enrolled in a qualified HSA plan to contribute to a savings account and receive tax benefits.

Q: What if a person is pricing individual coverage 2 years in advance?

- A: This will not give accurate pricing for a future effective date of coverage of 2 years out. Proposals generated would reflect current pricing and provide a general idea of cost. Cost, plan design options and carrier presence can vary from year to year.

Q: What information will the retiree need to get a quote or enroll?

- A: You will need to provide information about you and your household. Following is a list of some of the information needed:
- Home and /or mailing address
 - Name, Date of Birth and Tobacco usage for all applying
 - Social Security Numbers
 - Estimated Household Income
 - Tax Filing Status
 - Policy numbers of any current health insurance plans covering members of your household

Q: I'm 63 and enrolled in a retiree health plan from my former employer. Can I look for better coverage in the Marketplace?

- A: Yes, if you do so during the Open Enrollment period. If you are enrolled in such coverage, you can also look at coverage options through the Marketplace, and if your income is between 100% and 400% of the Federal Poverty Level, you may qualify for premium tax credits.

Q: I'm 63 and about to retire. I'll be offered a retiree health plan. Can I look for better coverage and subsidies in the Marketplace instead?

- A: Yes, eligibility for retiree coverage will not affect your eligibility for Marketplace coverage and subsidies.

Q: What is an embedded vs a non-embedded deductible?

A: Embedded Deductible

Embedded deductibles have two components: the individual deductibles for each family member and the family deductible. When a family member meets his or her individual deductible, the insurance company will begin paying according to the plan's coverage for that member. If only one person meets an individual deductible, the rest of the family still must meet their deductible.

Once the family deductible is met, all family members will have medical expenses paid according to the plan's coverage, even if they have not met their own individual deductibles.

Non-embedded Deductible

A non-embedded, or aggregate, deductible is simpler than an embedded deductible. With a non-embedded deductible, there is only a family deductible. All family members' out-of-pocket expenses count toward the family deductible until it is met, and then they are all covered with the health plan's usual copays or coinsurance. It doesn't matter if one person incurs all the expenses that meet the deductible or if two or more family members contribute toward meeting the family deductible.

Q: If I retire mid-year and enroll in the Marketplace insurance, will I get deductible credit?

A: If you switch from a group health plan to individual and begin marketplace coverage mid-year what you paid toward your deductible or out-of-pocket maximum will reset. It does not carry over to a new health plan and there is no obligation for an insurance provider to allow any credits towards the deductible.

Q: I never shop online. Is it safe?

A: The web-based program used is required to meet all security measures, guidelines and requirements of CMS. The marketplaces are designed to be secure and password-protected. All health insurance policies offered have been approved by your state's department of insurance and certified by the marketplace.

Q: If I purchase individual insurance, will I have assistance when it comes time to renew my health plan?

A: Yes, Henriott Group is here to assist with initial enrollment as well as renewing coverage. Whether buying for the first time or renewing coverage, it pays to shop around review options each year.

Q: What is the maximum out of pocket cost on an individual health plan?

A: In 2024 the maximum allowed for individuals is \$9450 and for a family it is \$18,900, each plan will set their own maximum out of pocket limit on each plan.

Q: Is there a maximum amount my plan will payout for me over a year?

A: No, an individual plan on the marketplace has unlimited benefits for an enrollee.

Q: Can a person have more than one health plan?

A: Typically, a person would only need one policy that counts as minimum essential coverage under the Affordable Care Act. It would not be efficient to pay premiums under two plans. When it comes to the Marketplace you may only have Marketplace coverage and no additional plan. They cannot overlap even 1 day, and the Marketplace plans only begin on the 1st of a month.

Q: What if I am a U.S. citizen living outside the United States?

A: U.S. citizens living in a foreign country are not required to get health insurance coverage under the health care reform law. Generally, health insurance coverage in the Marketplace covers health care provided by doctors, hospitals and medical services within the United States. If you're living abroad, it's important to know this before you consider buying Marketplace insurance.