

UPDATE: The Obamacare open enrollment deadline is here

12/15/2015

<http://news.morningstar.com/all/market-watch/TDJNMW20151215308/update-the-obamacare-open-enrollment-deadline-is-here.aspx>

Procrastinators, take note: Tuesday is the deadline to enroll in individual health insurance for coverage beginning January 1.

From the start of Obamacare open enrollment on Nov. 1 through Dec. 5, 2.8 million consumers have made plan selections through healthcare.gov (<http://healthcare.gov/>), the federal site used by 38 states, according to the Centers for Medicare and Medicaid Services.

Customers have until midnight Tuesday to sign up for coverage beginning Jan. 1, 2016. That said, do not wait until the last minute to sign up, as high volumes can lead to long wait times on the phone and slower-than-normal processing on the website.

Open enrollment ends on Jan. 31 (for coverage beginning March 1), and after the end of January the only people who can enroll in coverage for 2016 will be those who experience a qualifying life event, such as marrying, moving or losing job-based insurance. This goes for everyone buying individual health insurance, not just those buying it through the federal or state Obamacare marketplaces.

The penalty for not buying insurance for 2016 is either \$695 per adult and \$347.50 per child under 18, or 2.5% of the yearly household income, whichever is higher. Consumers who don't qualify for an exemption on religious or other limited grounds will have to pay this penalty when they file their 2016 federal income tax return.

Most current Obamacare customers who don't take action during open enrollment will be automatically re-enrolled in their current plan. But this isn't a decision to put on autopilot, experts say. "You have to pay attention and re-shop," said Nate Purpura, vice president of consumer affairs at ehealth.com (<http://ehealth.com/>). "People who think they will sleepwalk through it will potentially miss out."

Checking on savings

For starters, consumers could miss out on savings. The average 2016 premium increase for the benchmark silver plan in major cities throughout the country will be 10% before the premium tax credit, according to an analysis by the Kaiser Family Foundation.

Benchmark silver plan premiums for a 40-year-old range widely before tax credits, from \$183 a month in Albuquerque, N.M. to \$719 a month in Anchorage, Alaska, according to the report.

Those who re-shop are likely to find a cheaper option. Consumers who switched plans within the same metal tier for 2015 saved an average of nearly \$400 on their annual premiums compared with what they would have paid if they had stayed in the same plan they had in 2014, according to a recent report by the Department of Health & Human Services.

Another reason to re-shop is to provide the Marketplace with an income estimate for 2016. Unless people take this step and have their subsidy eligibility redetermined, most will be automatically re-enrolled at the same dollar level of subsidy they received last year. If that subsidy ends up being too high, they'll have to pay back the difference at tax time next year. Conversely, if the amount is too low, they will receive the amount they were owed at tax time.

While premium savings can help, it's important to look beyond the premium to the overall health-care costs that a plan might involve. A new tool on healthcare.gov (<http://healthcare.gov/>) will make it easier for consumers to get a sense of their overall costs. This new out-of-pocket cost feature gives consumers with self-reported medical care consumption levels of low, medium or high an estimate of their combined premiums, copays and deductibles (the amount the consumer must pay out-of-pocket each year before the plan pays anything, outside of limited preventive services) for a given plan.

Consumers must also heed the plan's out-of-pocket maximum. That's the plan's annual cap on deductibles, copayments and coinsurance, which is meant to avert catastrophic medical bills. If consumers stick to medical providers within their plan's network, their total annual health care liability should not exceed the total of the monthly premium multiplied by 12, plus the out-of-pocket maximum.

Checking on docs and drugs

That's said, it hasn't always been easy to determine what doctors participate in a plan's network. It's even harder to check on other service providers who might be involved in an episode of care, such as an anesthesiologist or radiology technician.

Costs are higher for consumers who, knowingly or not, use a provider out of their network. Nearly half of Obamacare health plans on the federal marketplace have no out-of-network coverage except in the case of medical emergencies or prior authorization, according to an analysis by HealthPocket, a technology company that compares and ranks health plans. That means that consumers could be on the hook for the entire bill when they go out of network. What's more, out-of-network costs do not count toward a plan's out-of-pocket maximum, so there are no built-in limits to what a consumer could pay on them.

New this season, healthcare.gov (<http://healthcare.gov/>) has developed a doctor lookup tool for consumers to search for plans that include their doctors. Another new tool is a prescription drug lookup feature, which enables consumers to search for plans that cover their medications. A whopping 90% of bronze plans offer no drug coverage before the patient hits the deductible, according to an analysis by eHealth of 2014 and 2015 Health Insurance Marketplace Public Use Files; 54% of silver plans offer no drug coverage before the deductible, compared with 37% of gold plans and 35% of platinum plans.

Some plans have a separate drug deductible, while in other plans the drug deductible is included in the overall deductible. Either way, consumers may have to pay thousands of dollars out of pocket before they get any drug coverage at all. To check on the specifics of a plan's drug coverage on healthcare.gov (<http://healthcare.gov/>), click on the green bar "Learn more about this plan."

There are many considerations to weigh when enrolling in health insurance, and the process involves terms that might not be familiar. "Do not expect to understand this at first glance," said Mary Johnson, Medicare and Social Security policy consultant with the Senior Citizens League and an Obamacare customer in Barboursville, Va. Instead, leave time to study your options and seek out help (<http://blog.cms.gov/2015/10/28/were-here-to-help/>) if needed.

(This column has been updated.)

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12-15-15 1154ET

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