



Health Reform

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Limited Extension to Sign Up for Exchange Coverage

On March 26, 2014, the Centers for Medicare & Medicaid Services (“CMS”) with the Center for Consumer Information and Insurance Oversight (“CCIIO”) released guidance providing a special enrollment period in the Exchange (aka the Health Insurance Marketplace). The special enrollment period applies only to individuals who began completing an application for coverage during the open enrollment period, but did not complete the process by the March 31 deadline. The special enrollment period will allow individuals until **April 30** to complete the process. Coverage will be effective for these individuals as of May 1. The extension of enrollment appears to be based on a self-certification (honor) system in which individuals attest that they could not timely complete the Marketplace application.

This extension may have an impact on employer-sponsored plans to the extent individuals have more time to elect Marketplace benefits and therefore may decline employer-sponsored coverage at the next open enrollment period. Keep in mind that IRS cafeteria plan rules currently do not recognize enrollment in a Marketplace plan as a qualified status change that would allow an individual to drop employer-sponsored coverage outside of open enrollment. A narrow one-time exception allows sponsors of non calendar-year plans to add, drop, or change major medical coverage during the 2013-2014 plan year with no associated status change event (such as for Marketplace enrollment) if the sponsor amends its cafeteria plan to permit such exception. Some carriers have refused to allow for this optional rule.

The guidance may be accessed at:

<http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/in-line-SEP-3-26-2014.pdf>.