

Health Reform

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Limited Exemption from Individual Mandate

On December 19, 2013, the Department of Health and Human Services allowed individuals whose individual policies are set to be cancelled in 2014 to apply for a hardship exemption. Individuals will apply for this exemption and will need to indicate that their current health insurance policy is being cancelled and that they consider other available policies unaffordable. HHS must determine that the individual has suffered a hardship with respect to the capability to obtain coverage under a qualified health plan.

Individuals granted a hardship exemption can then avoid the individual mandate tax if they enroll in catastrophic coverage under the Marketplace which is on average 20% cheaper than other plans available under the Marketplace. Otherwise, catastrophic coverage plans are limited to individuals under age 30. Alternatively, individuals granted a hardship exemption without coverage can avoid the individual mandate tax.

For further information, visit the following websites:

<http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/cancellation-consumer-options-12-19-2013.pdf>

<http://marketplace.cms.gov/getofficialresources/publications-and-articles/hardship-exemption.pdf>

<https://www.healthcare.gov/can-i-buy-a-catastrophic-plan/>