

Overview of Qualified Health Plans

Qualified Health Plans: Part 1 of 4



Introduction

A qualified health plan (QHP) is an insurance plan that is certified by a health insurance Marketplace, provides essential health benefits (EHB), follows established limits on cost-sharing, and meets other requirements under the Affordable Care Act (ACA). QHP may also be referred to as “Marketplace plans.” All QHP meet the ACA requirement for having health coverage, known as “minimum essential coverage” (MEC). All Marketplace plans are QHP. Although Marketplace plans will differ, each plan will include the EHB that are required for all individual market plans under the ACA.

Main Topics

- Introduction to QHP
- Certification of QHP
- QHP enrollment periods
- Coverage effective dates for QHP
- Canceling/terminating QHP

Introduction to QHP (1 of 4)

- An insurance plan that is certified by a health insurance marketplace is a qualified health plan (QHP).
- All QHP:
 - Are offered by a carrier licensed by the state and in good standing.
 - Provide coverage for essential health benefits (EHB) (the carrier can choose to provide additional benefits).
 - Meet nondiscrimination and network adequacy requirements.

Introduction to QHP (2 of 4)



- All QHP (cont.):
 - Follow established limits on out-of-pocket costs (like deductibles and max out-of-pocket amounts).
 - Use standard actuarial values (AV) to determine the metal tier (Platinum/Gold/Silver/Bronze) of plans which reflect the percentage of out-of-pocket costs for a consumer.
 - Offer at least one plan at the Gold or Bronze level, and at least one Silver plan where cost-sharing reductions (CSR) can be applied.

Introduction to QHP (3 of 4)



- The label "QHP" allows consumers to know exactly which health benefits are included at a minimum in all BeWell Marketplace plans.
- Health and Human Services (HHS) regulations define EHB based on state-specific benchmark plans that establish the minimum EHB for all health plans on the individual and small group market.

Introduction to QHP (4 of 4)



- Health insurance plans sold outside the Marketplace are not called QHP, but many plans do meet MEC requirements. Examples of plans that qualify as MEC include:
 - Individual market policies;
 - Most job-based coverage;
 - Medicare;
 - Medicaid; and
 - TRICARE.
- **Note:** If a consumer has a QHP with tax credits and employer-sponsored insurance or another type of plan considered MEC, they will lose their premium tax credit (PTC) eligibility.

Certification of QHP



- QHP certification in New Mexico is completed through a partnership with the New Mexico Office of Superintendent of Insurance (OSI) and BeWell.
- OSI is responsible for the following areas of QHP certification:
 - Accreditation
 - Prior to offering plans on the Marketplace, a QHP issuer must be accredited by an accrediting entity recognized by HHS. OSI will verify each issuer's accreditation status for certification or recertification.
 - Licensure
 - A QHP issuer must be licensed and in good standing in New Mexico.
 - Rate Review
 - Individual rates are set once a year, before the Open Enrollment Period (OEP), and cannot be changed until the next plan year.

QHP Coverage Effective Dates



- Coverage effective dates for the OEP:
 - If enrolled between November 1 - December 31, coverage is effective on January 1
 - If enrolled between January 1 - January 15, coverage is effective on February 1
 - Coverage effective dates for an SEP will depend on the circumstances surrounding the SEP (see Lesson 2, Part 6: Special Enrollment Periods).

Canceling/Terminating QHP



- Termination of Marketplace coverage may be either voluntary (initiated by the enrollee) or involuntary (initiated by BeWell).
- A termination can be effective in the future (e.g., a termination requested by the enrollee up to 60 days prior to the termination date), or retroactive (e.g., the enrollee died).
 - A consumer's failure to use their health plan benefits is not a basis for retroactively terminating coverage.
 - Consumers cannot retroactively terminate coverage if they discover they are (or were, at the time of enrollment) eligible for or enrolled in other MEC.
- A consumer can also cancel their plan before it is effectuated (or becomes active on the effective date) by calling BeWell or by logging into their account and canceling their coverage via the self-service option.

Key Points

- A QHP is an insurance plan that is certified by the Marketplace, provides EHB, follows established limits on cost-sharing, meets MEC requirements, and meets other requirements of the ACA.
- All Marketplace plans are QHP.
- The OEP and SEP are the only timeframes during which consumers are permitted to enroll in a QHP.
- Termination of Marketplace coverage may be either voluntary or involuntary.



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