



Deadline for Individuals to Sign up for Insurance under the Affordable Care Act Extended

March 31, 2014

The Obama Administration is extending the time period for some individuals to sign up for insurance under the Patient Protection and Affordable Care Act (“PPACA”). Previously, individuals who did not enroll in a qualifying health insurance plan by March 31, 2014 would pay a penalty on their 2014 taxes when filing next year. However, individuals who can demonstrate that they attempted to sign up for insurance on HealthCare.gov prior to March 31, 2014 but did not finish the enrollment process will be granted an extension of time to purchase coverage. This extension applies not only to those who experienced problems with the functioning of the HealthCare.gov site, but also to people who may have received incorrect information during enrollment, delaying the sign-up process.

There is currently no set date for the end of this extension. The extension essentially functions as a “special enrollment period,” allowing certain individuals to sign up after open enrollment ends. Previously, such special enrollment periods were only allowed under certain circumstances—for example, if an individual lost a job under which he or she was previously covered by health insurance, got married or divorced, or had a baby.

Extensions will be able to be requested on HealthCare.gov until about mid-April—that is, around the time many individuals who still need to sign up will receive federal tax income refunds. Showing one previously tried to sign up for health insurance prior to the deadline for the purposes of receiving the extension will simply require the checking of a box on the website, attesting that he or she had tried to enroll before March 31, 2014. There will not be any system in place to validate the accuracy of these statements. After mid-April, those seeking an extension will not be able to do so online, but will instead make the request by telephone to call centers specifically set up to deal with the federal exchange sign up process, and the grounds for receiving an extension will likely be more limited.

The extension applies only to those applying for insurance on the federally-run healthcare exchange, although many states with their own health care exchange have begun implementing similar rules. Technical problems with both HealthCare.gov and state exchange websites have been a driving force behind the extension.

The decision to provide individuals with time to enroll beyond March 31, 2014 has been met with criticism. Numerous extensions of time for the implementation of various provisions of the PPACA have already been set forth—including a year-long delay of the employer mandate for certain employers. The announcement of the extension to sign up for insurance also comes on the heels of the Obama Administration’s announcement that individuals would be able to renew health insurance policies that do not comply with the guidelines of the PPACA through October 1, 2016.

Regardless, many argue that the extensions are necessary to ensure that people are afforded enough time and information to sign up for insurance, and do not instead wait until they need coverage, either due to sickness or injury, to seek out adequate health care plans.

The repeated delays are just some of the challenges facing the implementation of the PPACA. There are also numerous legal actions pending that seek to invalidate various portions of the law.

If your institution has questions or concerns about this topic and you would like further information, please email James G. Ryan at jryan@cullenanddykman.com or call him at 516-357-3750. This article was written with Ariel Ronneburger, an associate at the firm.