

Western Massachusetts

Health Access Network Notes



COMMUNITY PARTNERS, INC.

December 7, 2007

Jones Library – Amherst, MA

GUEST PRESENTATION

How to Help Clients Having Problems with Health Care Reform

Georgia Maheras, Staff Attorney, and *Barbara Anthony*, Executive Director,
Health Law Advocates

Health Law Advocates works to achieve health care justice for society's most vulnerable members. HLA works with clients to cut through legal, administrative or financial barriers to obtaining needed health care treatment. HLA provides free legal services for people at or below 300 percent of the poverty line.

Health Care Reform, the individual mandate & financial hardship

Massachusetts residents have a new responsibility to enroll in a health insurance plan – if a plan affordable for them is available – or face penalties at tax time. The state determines if you can afford health insurance by using an “affordability schedule” that calculates how much you can pay in monthly premiums based on your adjusted gross income. If you could have enrolled in an insurance plan in 2007 that cost the same or less than the amount considered “affordable” by the state, then you may be penalized by losing your personal income tax exemption, worth about \$219.

Ask yourself:

1. Did your employer offer you or your spouse an “affordable” insurance plan?
2. Did you qualify for but decline to enroll in state-subsidized insurance, such as MassHealth or Commonwealth Care?
3. Did you or your spouse have access to any “affordable” insurance plan?

If your answer is “yes” to any of these questions, then you may have to pay a tax penalty.

What counts as “affordable”?

As mentioned above, the “affordability schedule” determines if you must buy insurance. To find how much the state believes you can afford, use the [“Affordability Tool.”](#) This tool will help you determine whether the state believes you can afford insurance. When you complete your 2007

taxes, you will see a new form, [Schedule HC](#). This form will have an Affordability section that you can complete using the results from the online Affordability Tool. If the tool says you cannot afford any insurance, you will not pay any penalty.

Schedule HC

This is the form taxpayers will use to show they have health insurance. If you do have health insurance, attach the requested verification.

If you do not have health insurance, go to the second page.

- Question 4: Religious exemption
- Question 5: If you have previously been exempted from having insurance
- Question 6: The affordability question: “I looked at the affordability tool and insurance is not affordable”
- Appeals: This section is at the very bottom of the form, and *if you do not fill in the required oval, you won’t get an appeal*. That little oval triggers the Department of Revenue to look at next page.
- Click here to see [Schedule HC and its instructions](#)

Financial Hardship Appeals

Even if “affordable” insurance was available to you in 2007, you may be excused from the penalty if you experienced a Financial Hardship. Here are some of the reasons you that may apply to your 2007 situation:

- Homelessness; past due 30 days for rent or mortgage; eviction or foreclosure notice;
- Utility shut-off notice or were refused delivery of gas, electric, oil, water, or telephone;
- Medical or dental expenses (not subject to payment by a third party and not counting your premium payments) that total more than 7.5% of your adjusted gross income;
- Significant increase in essential expenses because of domestic violence; the death of a spouse, family member, or partner with primary responsibility for child care; caring for an aging parent or other family member; or a fire, flood, natural disaster, or other unexpected event; or
- Paying for insurance causes results in a serious deprivation of food, shelter, clothing or other necessities for you.

If any of these events applied to you in 2007, complete the ‘Financial Hardship Appeals’ section of Schedule HC. If your appeal is allowed, you will not have to pay a penalty. If your appeal is denied, you will pay a penalty. You will not have to pay a penalty while your Financial Hardship Appeal is pending. You have a right to appeal any adverse decision in a court of law.

Premium waiver or reductions

Waivers or reductions are granted at the discretion of the Connector, and may last up to six months; once that 6 months is up a person can reapply.

There are two opportunities to apply:

- Prior to enrolling – preemptively – but the applicant must pay one month’s premium, which will be refunded if a waiver is granted
- During enrollment – when someone realizes they can no longer afford the premium

In some cases, a waiver request identifies so great a change that the Connector rejects it and instead sends the person to be redetermined eligible for MassHealth.

In addition to waivers and reductions for premiums, Commonwealth Care members under 100% FPL may apply for a waiver of co-payment. The Connector will not grant co-pay waivers to those who have received premium reductions or waivers.

- Click here for a PDF of the [premium waiver form](#)
- Click here for a PDF of the [co-payment waiver form](#)
- Click here for [instructions from the Massachusetts Law Reform Institute](#)

Q&A

Q: The Access Project also helps with these kinds of issues. How do you know who to call?

A: We work together – don’t hesitate to call – HLA usually takes it if there is a legal angle. We can be reached at 617-338-5241.

For example, in a situation where a consumer feels they can’t afford it, but the state feels they can – we’ll take the case if there is a legal argument or a fairness argument to be made. Our job at HLA is to make sure that justice and fairness are part of this success story.

Q: What about anticipated costs, like heating bills?

A: The costs/reason for request must have happened already.

Q: Where do you get a schedule HC?

A: Wherever you get your tax forms – libraries, post offices.

Q: What do you send with schedule HC to prove your case?

A: Nothing. Just fill out the form. This will let the Connector know of your request, and the Connector will then request documentation.