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## **Many Unaware Significant Affordable Care Act Deadline Looms**

*March 31 Deadline to Enroll for Health Coverage May Be Last Chance for Most in 2013*

(AUSTIN, TEXAS – March 4, 2014) While most of the attention in recent months on the Affordable Care Act (ACA) has focused on its bumpy rollout and the deadline to gain coverage by January 1, 2014, the approaching open enrollment deadline of March 31, 2014, may be far more significant than most realize.

According to the law, anyone who has not purchased ACA-compliant coverage by March 31, 2014, will be unable to do so for the remainder of the year unless they experience a “qualifying event” such as a marriage, divorce, birth or adoption of a child, or loss of a job. Those not qualifying for special enrollment after March 31, 2014, will have to wait until open enrollment for 2015 opens on November 15, 2014, in order to purchase coverage.

Unless you’re exempt from the requirement to obtain coverage, you could face a penalty of \$95 or up to 1 percent of your household income, whichever is higher, if you do not obtain ACA-compliant coverage for 2014 by March 31. While many may be inclined to pay the first-year penalty rather than incurring the cost of purchasing coverage, the lack of health insurance could prove devastating should they experience a health care event or illness after the deadline. Surveys suggest that a large number of consumers are unaware that they will not have access to coverage for the remainder of the year after March 31, 2014. A recent Enroll America survey found that over 80 percent of Americans did not know of the March 31 deadline to enroll in policy purchased from a Health Insurance Exchange Marketplace.

Mark Bellman, president of the Texas Association of Health Underwriters, cautions consumers about taking that risk. “While a quick analysis of the low first-year penalty versus paying for the cost of coverage might seem like a no-brainer, a more important consideration might be, ‘Can I handle the cost of a broken limb or serious illness should that occur?’” he said.

Bellman added, “When these considerations are weighed, most consumers realize very quickly the risk is greater than they are willing to take.”

According to AFLAC’s Real Cost Calculator, without health insurance the average cost to treat a broken leg is over \$10,000. The average cost of treating breast cancer, the second leading cause of

cancer death among women, is \$128,556. For a severe heart attack, the average real cost is about \$1 million. The Healthcare Bluebook reports the average cost for appendicitis without insurance is \$10,091.

In the past, Texans unable to obtain health coverage were able to do so through the Texas Health Insurance Risk Pool (THIRP). THIRP has served as a safety net for approximately 20,000 Texans, but will be closing its doors on March 31, 2014, leaving no other alternatives aside from private options offered inside and outside the state's Health Insurance Exchange Marketplace.

A key and popular component of the Affordable Care Act allows for access to coverage regardless of any pre-existing health condition an individual may already have. To ensure that consumers did not wait until they were ill to purchase coverage, open enrollment periods were included to promote responsible health insurance coverage and to allow insurers to spread the risks and costs of providing coverage among a broad pool of healthy as well as sick individuals.

The concept of spreading the risk among a broad pool of both sick and healthy individuals is the underlying premise that makes insurance coverage possible and is a major part of the Affordable Care Act. Without enrollment timeframes, it is believed that the vast majority of consumers would wait until they were about to incur medical costs before they purchased coverage. The result would be exorbitant premium rates that would be required to fund the costs of mostly sick individuals who would comprise an insurance pool.

"There are a lot of moving parts to the new law, and those purchasing coverage will be well-served to ensure they have the full picture of their options and the consequences of their decisions. Their choices could determine their ability to afford the care needed to remain healthy, manage an unexpected injury or deal with a life-altering illness," stated Bellman.

Bellman added, "In addition to being unaware of the approaching deadline, many consumers are overwhelmed with the choices and decisions they are facing. Professional benefit advisers are nearby to assist individuals and families as they examine their options. Accessing the services of a professional benefit adviser does not add to the cost of coverage, so it's essentially a free service that provides professional advice, guidance and peace of mind."

Consumers interested in locating a professional benefit adviser in their community who can assist with questions about the Affordable Care Act may do so at [www.tahu.org](http://www.tahu.org).

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***Texas Association of Health Underwriters (TAHU) is a state trade association representing licensed health insurance agents, brokers, consultants and benefit professionals who serve the health insurance needs of employers seeking health insurance coverage. TAHU is a state chapter of the National Association of Health Underwriters.***