

INDIVIDUAL SHARED RESPONSIBILITY EXEMPTIONS:

Frequently Asked Questions

Q. What is an exemption?

A. The Affordable Care Act (ACA) requires individuals to have health insurance coverage that qualifies as “minimum essential coverage” or pay a fee (also called the “individual shared responsibility payment”). However, under a few special circumstances, an individual may not have to pay the fee even though he or she did not have health insurance coverage for part or all of the year. This is referred to as an exemption from the individual shared responsibility.

Q. What types of health coverage qualify as “Minimum Essential Coverage”?

A. You do not need to apply for an exemption if you have health coverage that qualifies as “minimum essential coverage”. If you are covered by any of the following types of health coverage, you have “minimum essential coverage”:

- Any HSRI plan;
- Medicaid or CHIP (RiteCare);
- Medicare;
- Any employer plan (including COBRA), with or without “grandfathered” status. This includes retiree plans. Your employer has information on whether the health coverage offered is minimum essential coverage;
- TRICARE (for current service members and military retirees, their families, and survivors);
- Veterans healthcare programs;
- Peace Corps Volunteer Plans;
- Self-funded health coverage offered to students by universities for plan or policy years that begin on or before Dec. 31, 2014;
- Other plans may also qualify. Ask your health coverage provider for more information.

Q. What kinds of exemptions are available and where do I apply?

A. Depending on the reason you’re requesting an exemption, you can apply for an exemption through HealthSource RI or on your federal tax return. You can learn more about this in the table below. We strongly encourage you to apply for an exemption with the IRS when filing your federal tax return, if possible.

If your income will be low enough that you won’t be required to file taxes, you don’t need to apply for an exemption. This is true even if you file a return in order to get a refund of money withheld from your paycheck. If your income is below the threshold for tax filing, you won’t have to pay the fee for not having qualifying coverage during the year.

Exemption Reason & Where to Apply	Application Timing
You must apply for the following Exemptions through HealthSource RI:	
You're a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare	You may apply at any time.
You have experienced a "hardship" that affects your ability to purchase health insurance coverage	You may apply before, during or after the hardship, depending on the circumstances. For more information about how long hardship exemptions may last, please visit: https://www.healthcare.gov/fees-exemptions/exemptions-from-the-fee/#hardshipexemptions .
The lowest-priced coverage available to you in 2015 would cost more than 8% of your projected household income	You must have applied for the exemption before the end of the Annual Open Enrollment Period. You must also have completed an application for coverage through HSRI.
You are encouraged to apply for the following Exemptions through the IRS when you file your federal income tax return:	
You're a member of a federally recognized tribe or eligible for services through an Indian Health Services provider	You may apply at any time.
You're a member of a recognized healthcare sharing ministry	Generally speaking, you may only apply retrospectively which means you apply for the year once it has ended and when you are filing your tax return. You must claim this exemption on your federal income tax return. If you are requesting an exemption for certain months during the current year that you will be a member in a health care sharing ministry you must apply through HealthSource RI.
You're incarcerated, and not awaiting the disposition of charges against you	You may only apply retrospectively, which means you apply for the year only once it has ended and when you are filing your tax return.
You must apply for the following Exemption through the IRS when you file your Federal Income Tax Return:	
You were uninsured for less than 3 consecutive months during the year	You may apply only when you file your taxes.

The minimum amount you would have paid for health insurance premiums in 2014 is more than 8% of your household income.	You may apply only when you file your taxes.
Individuals not required to file taxes but who filed anyway and have income above the filing threshold	You may apply only when you file your taxes
Individuals who lack affordable coverage when the cost of self-only plans are combined	You may apply only when you file your taxes.
Exempt non-citizens	You may apply only when you file your taxes.
Gap in coverage at the beginning of 2014 — You had a coverage gap at the beginning of 2014 but were either enrolled in, or were treated as having enrolled in, coverage through the Marketplace or outside of the Marketplace with an effective date on or before May 1, 2014. (Available only in 2014.)	You may apply only when you file your 2014 taxes.
Employer coverage with non-calendar plan year beginning in 2013 — You were eligible, but did not purchase, coverage under an employer plan with a plan year that started in 2013 and ended in 2014. (Available only in 2014.)	You may apply only when you file your 2014 taxes.

Q. How do I apply for an exemption through HealthSource RI?

A. Again, you are encouraged to apply for an exemption through the IRS when you file your federal income taxes, if possible. To apply for an exemption based on **hardship, membership in a recognized religious sect that objects to insurance, membership in a federally-recognized tribe, coverage being unaffordable, incarceration, or membership in a healthcare sharing ministry**, and you do not have the option of submitting an application to the IRS when you file your federal income taxes, you may complete and submit the exemption application form in your account. You can obtain an application form by logging in to your account at HealthSourceRI.com, clicking on “Tasks”, then clicking on “Apply for an Exemption”.

Q. Where can I find more information on how to apply for an exemption on my tax return?

A. You can find more information about how to apply for an exemption on your tax return, here <http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Exemptions>.

Q. What materials do I need to apply for an exemption?

A. You will need to include documents that support your claim, regardless of whether you are applying for an exemption through HealthSource RI or if you are applying through the IRS when you file your taxes. If you are applying for a hardship exemption, you must provide the document(s) that are from the same time period as the hardship you experienced.

If you are applying for an exemption through the IRS and you can't obtain the documents you need to support your application, call the Health Insurance Marketplace Call Center at

1-800-318-2596. If applying for an exemption through HealthSource RI and you can't obtain appropriate documents, call HealthSource RI at 1-855-840-4774.

Exemption Reason	Documentation Required
You are a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare	The name and address of the religious sect. If available, a copy of an approved IRS Form 4029 ("Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits").
You are a member of a recognized healthcare sharing ministry	The name and address of the healthcare-sharing ministry.
You were incarcerated	Documents showing the name and address of the facility where you were incarcerated, and the time periods of incarceration.
You are a member of a federally recognized tribe or eligible for services through an Indian Health Services provider	Documents showing tribal membership or eligibility for services from the Indian Health Service, a tribal health care provider, or an urban Indian healthcare provider.
You've experienced a hardship that prevented you from purchasing health insurance	See hardship reasons in table below.
The lowest-priced health coverage available to you in 2015 is more than 8% of household income	Application ID from HealthSource RI or information about any job-related health insurance available to family. Proof of yearly income for 2014. Lowest price plan available.

There are particular documentation requirements for hardship exemptions:

Hardship Reason	Documentation Required
You were homeless.	None.
You were evicted in the past 6 months or were facing eviction or foreclosure.	Copy of eviction or foreclosure notice.
You received a shut-off notice from a utility company.	Copy of shut-off notice from a utility company or proof of more than 6 months behind on payments if utility can't shut off (for reasons of medical necessity or hardship).
You recently experienced domestic violence.	None
You recently experienced the death of a close family member.	Copy of death certificate, copy of death notice from newspaper, or copy of official notice of death.
You experienced a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property.	Copy of police or fire report, insurance claim, or other document from government agency, private entity, or news source documenting event.
You filed for bankruptcy in the last 6 months.	Copy of bankruptcy filing.
You had unreimbursed medical expenses in the last 24 months that resulted in substantial debt.	Copies of medical bills.

You experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member.	Copies of receipts related to care.
You expect to claim as a tax dependent a child who's been denied coverage in Medicaid and the Children's Health Insurance Program (CHIP), and another person is required by court order to give medical support to the child.	Copy of medical support order AND copies of eligibility notices for Medicaid and CHIP showing that the child has been denied coverage. Exemption is only for the months the medical support order is in effect.
As a result of an eligibility appeals decision, you're eligible either for: 1) enrollment in a qualified health plan (QHP) through HealthSource RI, 2) lower costs on your monthly premiums, or 3) cost-sharing reductions for a time period when you weren't enrolled in a QHP through HealthSource RI.	Copy of notice of appeals decision.
You received a notice saying that your current health insurance plan is being canceled, and you consider the other available plans unaffordable.	Copy of notice of cancellation.

Q. How do I determine whether insurance is “unaffordable” for me?

A. Insurance is unaffordable if both the coverage offered through your employer, and the lowest cost bronze plan offered through HealthSource RI, would cost more than 8% of your income. If any of those options cost 8% or less of your income, health insurance is considered affordable to you and you do not qualify for this exemption.

Example: Your household income in 2014 was \$15,000.00. The cost of your employer sponsored coverage was \$1,500.00. The lowest cost Bronze plan available to you was \$1,300.00. Because **both** options exceed 8% of your household income (\$1,200.00), you are eligible for a penalty exemption.

LOWEST COST BRONZE PLAN

To estimate the total premium of the lowest cost bronze plan for family coverage, add the age-based cost for each family member needing coverage together (if there are more than 3 children under the age of 21 in the family requiring coverage, only add in the premium cost for three children). For a firm determination of the premium cost, please call HSRI at 1-855-840-4774.

Insurance Company		Blue Cross & Blue Shield of Rhode Island			
Plan Name		BlueSolutions for HSA Direct 5000/10000			
Age:		Age:		Age:	
0-20	\$106	37	\$206	51	\$310
21-24	\$166	38	\$207	52	\$324
25	\$167	39	\$210	53	\$339
26	\$170	40	\$212	54	\$355
27	\$174	41	\$216	55	\$371
28	\$181	42	\$220	56	\$388
29	\$186	43	\$226	57	\$405
30	\$189	44	\$232	58	\$424
31	\$193	45	\$240	59	\$433
32	\$197	46	\$249	60	\$451
33	\$199	47	\$260	61	\$467
34	\$202	48	\$272	62	\$478
35	\$203	49	\$284	63	\$491
36	\$204	50	\$297	64+	\$499

If you believe your 2014 health insurance was unaffordable for you, you need to apply for this exemption in your 2014 tax return.

Do not to confuse the 8% Exemption Test with the 9.5% threshold for Tax Credit Eligibility. To be eligible for Advanced Premium Tax Credits (APTCs), an individual must not have the option of enrolling in affordable employer sponsored health insurance. Employer health insurance coverage is unaffordable if the cost for employee-only coverage is 9.5% of “household income” or greater. Under this test, individuals may qualify for a tax credit to purchase a plan through HealthSource RI if their household income is between 100-400% of the Federal Poverty Level (FPL), the individual is not eligible for government-offered healthcare (e.g., Medicare, Medicaid, or RIteCare), and employer-sponsored coverage is unaffordable to them.

Q. How long does it take HealthSource RI to process an exemption application?

A. The time HealthSource RI needs to process an exemption application will vary depending on the complexity of the exemption requested, whether the application is missing any information, and whether additional supporting documentation is required. If additional information is needed, the process could take longer.

Once again, we encourage you to apply for an exemption through the IRS when you file your taxes, if possible. If you must apply through HealthSource, please submit the required documentation with your application. You will receive an eligibility determination notice in the mail when the application has been processed. If your request has been approved, your notices will include an exemption certification number. You should retain this number for your records because you will need it when you file your federal taxes for the year.

Completed applications can either be submitted by logging into your account at HealthSourceRI.com or can be mailed to:

**HealthSource RI
Hazard Building Mailroom
74 West Road, Suite 500
Cranston, RI 02920-8409**

Q. If I am granted a hardship exemption, how long will it last?

A. The duration of an exemption differs based on the type of exemption requested. Hardship exemptions may be claimed for the months during which the hardship existed (including the month before the hardship, the months of the hardship, and the month after the hardship), however, HealthSource RI may provide the exemption for additional months after the hardship, including up to a full calendar year, if the hardship continues to affect the customer.

Q. What if I think the results of my application are wrong?

A. If you applied for an exemption with the IRS when you filed your taxes and don't agree with the results of your application, you can appeal the decision by calling 1-800-318-2596. A request can also be made in writing to the Health Insurance Marketplace – Exemption Processing at 455 Industrial Blvd., London, KY 40741.

If you applied for an exemption through HealthSource RI and don't agree with the results of your application, you can appeal the decision by calling HealthSource RI at 1-855-840-4774 or visiting HealthSourceRI.com and appealing through your account.

Requesting an appeal is time sensitive. You must request your appeal within 30 days of the receipt of your notice. Please review your eligibility notice to find appeals instructions specific to each person in your household, including the timeframe in which each person can request an appeal.

Q. What happens if I'm not exempt?

A. If you are not exempt, the penalty for not having insurance is either a set amount of money or a percentage of your income—whichever is greater. For more information on the penalty please visit,

<http://www.irs.gov/Affordable-Care-Act/The-Individual-Shared-Responsibility-Payment-An-Overview>

Application for Exemption from the Individual Responsibility Requirement

According to federal law effective as of 2014, every person needs to have health coverage or make a payment on his or her federal income tax return called the “shared responsibility payment.” Some people are exempt from making this payment. This application includes only certain categories of exemptions. You may apply for other categories of exemptions when you file your federal income tax return.

Who should use this application?

You should apply for an exemption through HealthSource RI if you meet the following criteria:

- You are a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare;
- You are a member of a recognized healthcare sharing ministry;
- You were incarcerated;
- You are a member of a federally recognized tribe or eligible for services through an Indian Health Services provider;
- The lowest-priced health coverage available is more than 8% of your projected household income; or
- You’ve experienced a hardship that has prevented you from being able to purchase health coverage (see list of hardship reasons on page 2).

What do I need to apply?

Please include documents that support your claim (see page 2). If you can’t obtain the documents, call HealthSource RI at 1-855-840-4774.

In order for us to process your application, you must have a HealthSource account. To create a HealthSource RI account, you can go to www.HealthSourceRI.com or call us at 1-855-840-4774.

What happens next?

Send your complete, signed application to the address on page 6. We’ll follow up with you and let you know if we need additional documentation. If the documents are not provided, your request will be denied. We will send a determination notice to you. If your exemption is granted, we’ll include an Exemption Certificate Number. This is the number you will use when you file your federal income tax return.

Did you know that you may qualify for no-cost health coverage or tax credits that can lower the cost of your health coverage? While we evaluate your exemption request, you can complete an application for coverage through HealthSource RI at www.HealthSourceRI.com or by calling our Customer Support Center at 1-855-840-4774 or 1-888-657-3173 (TTY).

What should I do if I think the results of my application are wrong?

If you don’t agree with the results of your application, you can file an appeal. HealthSource RI must receive your appeal request within 30 days of you receiving a notice denying your request for an exemption. To appeal the results of your application, you may call HealthSource RI at 1-855-840-4774, visit HealthSourceRI.com to file an appeal through your account, or you may complete a Request for Hearing Form (DHS-121).

Exemption Reasons and Documentation Required with Application

You may qualify for an exemption if you experienced one of the following:

Exemption Reason	Documentation Required	Duration
You are a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare (45 CFR 155.605(c)(1))	The name and address of the religious sect. If available, a copy of an approved IRS Form 4029 ("Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits")	Continuous until person reports that they no longer meet eligibility criteria or they have reached the age of 21. At age 21, person must reapply.
You are a member of a recognized healthcare sharing ministry (45 CFR 155.605(d)(1))	The name and address of the healthcare sharing ministry	Continuous
You were incarcerated (45 CFR 155.605(e)(1))	Documents showing the name and address of the facility where you were incarcerated, and the time periods of incarceration	Calendar Year
You are a member of a federally recognized tribe or eligible for services through an Indian Health Services provider (45 CFR 155.605(f)(1))	Documents showing tribal membership or eligibility for services from the Indian Health Service, a tribal provider, or an urban Indian healthcare provider	Calendar Year
You've experienced a hardship that prevented you from purchasing health insurance (45 CFR 155.605(g)(1))	See hardship reasons in table below	At least the month before, the months during, and the month after the hardship
The lowest-priced health coverage available is more than 8% of projected household income (45 CFR 155.605(g)(2))	You must complete an application for health insurance coverage through Health Source RI.	Calendar Year

Hardship Exemption Reasons:

Hardship Reason	Documentation Required
You were homeless.	None
You were evicted in the past 6 months or were facing eviction or foreclosure.	Copy of eviction or foreclosure notice
You received a shut-off notice from a utility company.	Copy of shut-off notice from a utility company or proof of more than 6 months behind on payments if utility can't be shut off (for reasons of medical necessity or hardship)
You recently experienced domestic violence.	None
You recently experienced the death of a close family member.	Copy of death certificate, copy of death notice from newspaper, or copy of other official notice of death
You experienced a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property.	Copy of police or fire report, insurance claim, or other document from government agency, private entity, or news source documenting event
You filed for bankruptcy in the last 6 months.	Copy of bankruptcy filing
You had unreimbursed medical expenses in the last 24 months that resulted in substantial debt.	Copies of medical bills
You experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging	Copies of receipts related to care
You expect to claim as a tax dependent a child who's been denied coverage in Medicaid and the Children's Health Insurance Program (CHIP), and another person is required by court order to give medical support to the child.	Copy of medical support order AND copies of eligibility notices for Medicaid and CHIP showing that the child has been denied coverage. Exemption is only for the months the medical support order is in effect.
As a result of an eligibility appeals decision, you're eligible either for: 1) enrollment in a qualified health plan (QHP) through the Marketplace, 2) lower costs on your monthly premiums, or 3) cost-sharing reductions for a time period when you weren't enrolled in a QHP through the Marketplace.	Copy of notice of appeals decision
You received a notice saying that your current health insurance plan is being canceled, and you consider the other available plans unaffordable.	Copy of notice of cancellation

Exemptions That May Only Be Claimed On Tax Return

Exemption Reason	Explanation
Coverage is considered unaffordable	The amount you would have paid for employer-sponsored coverage or a bronze level health plan (depending on your circumstances) is more than 8% of your actual household income for the year as computed on your tax return.
Short coverage gap	You went without coverage for less than three consecutive months during the year.
Household income below the return filing threshold	Your household income is below the minimum threshold for filing a tax return
Certain noncitizens	You are neither a U.S. citizen, a U.S. national, nor an alien lawfully present in the U.S.

Application for Exemption from the Individual Responsibility Requirement

Print and complete this form only if you are applying for an exemption from the healthcare coverage requirement. You must either provide your HealthSource account ID or answer all the demographic questions below. All applicants must complete the exemption information on page 5.

Please note that this is an individual exemption application. **A separate application must be completed for each family member applying for an exemption from the individual responsibility requirement.** If you need additional applications, please photocopy the next three pages or call 1-855-840-4774 to request additional copies mailed to you.

Applicant's Name*: _____

If you have an account with HealthSource RI, you do not need to answer the demographic information below.

Do you have an account with HealthSource RI? ☐ Yes ☐ No

If Yes, what is your Account ID (located on your account dashboard or in the upper right corner of any formal notices sent to you by HealthSource RI)? _____

Date of birth*:

____ / ____ / ____

Month Day Year

If under 21 years old, parent or guardian's name:

Sex:

☐ Male ☐

Female

If this applicant will be a dependent on someone else's tax return, please provide the Tax Filer's Name and Social Security Number:

Name: _____

Current address*:

City*:

State*:

ZIP Code*:

Mailing address (if different from current address above):

City:

State:

ZIP Code:

For which dates are you applying for the individual exemption?*

From: _____ / _____ to: _____ / _____
Month Year Month Year

Check the type of exemption for which you are applying. You must include any documents described on page 2 for the exemption you're requesting.

A. Member of Recognized Religious Sect or Division _____

Name of Religious Sect _____

Address of Religious Sect _____

B. Member of a Healthcare Sharing Ministry _____

Name of Healthcare Sharing Ministry _____

Address of Healthcare Sharing Ministry _____

C. Incarceration _____

D. Member of a federally recognized Indian Tribe _____

E. Hardship _____

Specify which hardship you've experienced (see pg. 2): _____

When did this hardship start? _____ / _____ / _____

When did this hardship end? _____ / _____ / _____

☐ If you're still experiencing this hardship, check this box

Please explain how this hardship kept you from getting health coverage for the time period for which you're requesting an exemption and include any supporting documentation:

F. Affordability based on Projected Income

For anyone who is applying for this exemption, your ability to get this exemption is based on your projected household income for this year as calculated by HealthSource RI and the cost of the lowest-cost bronze plan that is available to you through HealthSource RI (after applying any tax credits for which you qualify or through your employer. You must complete the general application for health care coverage through HealthSource RI and include your Application ID (located in the upper right corner of your Eligibility Decision for Healthcare Coverage notice). Application ID: _____

Read and Sign This Application

By signing this application, I certify and attest under penalty of perjury that my answers are correct, and complete to the best of my knowledge.

- I understand the questions and statements on this application.
- I understand the penalties for providing false information, including penalties for violation of the Rhode Island False Claims Act, RIGL 9-1-1 et. al.
- I know that under the state of Rhode Island General Laws, Section 40-6-15, a maximum fine of \$1,000, or imprisonment of up to five (5) years, or both, may be imposed for a person who obtains or attempts to obtain, or aids or abets any person to obtain, public assistance to which he or she is not entitled or who willfully fails to report income, resources, or personal circumstances or increases therein which exceed the amount previously reported.
- Under penalty of perjury, I attest to the identity of the minor children identified herein and that all of the information contained in this application is true. I understand that I am breaking the law if I give wrong information and can be punished under federal law, state law or both.

Signature of Applicant or Parent/Guardian of Applicant

Date

Print your name here if Authorized Representative

Date

There are multiple ways for you to send in your application:

- 1) Upload the application to your HealthSource RI account, <http://www.HealthSourceRI.com/>. Follow these steps to upload the application to your account:
 - a. Scan this application to have it in digital format.
 - b. Log in to your HealthSource RI account. (If you don't have an account, please create one by going to <http://www.HealthSourceRI.com> or by calling us at 1-855-840-4774.)
 - c. Click on the "Tasks" tab.
 - d. Click on your Exemption task. (If you haven't applied for an Exemption, continue with step "E". If you have an existing exemption request, skip to step "L".)
 - e. Click on "Apply for an Exemption."
 - f. Click "Next."
 - g. Choose the name of the person/people applying for an exemption.
 - h. Click "Next."
 - i. Pick the applicable "Reason for Exemption" category.
 - j. Enter the correct dates for the exemption you are requesting.
 - k. Enter the appropriate information in the field below the dates.
 - l. Pick a "Document Category."

- m. Click on "Choose File."
- n. Choose the appropriate document(s).
- o. Click "Upload."
- p. Read and complete the "Your Signature" section.
- q. Click "Submit."

2) Mail your completed application to:

HealthSource RI
Hazard Building Mailroom
74 West Road, Suite 500
Cranston, RI 02920-8409

3) Fax your completed application to HealthSource RI at 401-223-6317.

Please allow 45 days for HealthSource RI to respond. If you have not received a response after 45 days, please call HealthSource RI at 1-855-840-4774.