

# Impact of Special Enrollment Period Changes on Young Parents

October 2016

By Christina Postolowski

## Introduction

Special enrollment periods (SEPs) provide an important opportunity for consumers who lose their health insurance coverage or experience other life changes to enroll in a plan through the health insurance marketplaces outside of the annual open enrollment period.<sup>1</sup> The Department of Health and Human Services (HHS) is now being urged by insurers to make it harder for families to enroll in or change plans after childbirth.<sup>2</sup>

The ability to qualify for an SEP for having a child, which allows parents to add a new child to their health plan or choose a new plan for their growing family,<sup>3</sup> is of particular importance to young parents. Nearly four million babies were born in 2014, and the mean age of first-time mothers was 26 years old.<sup>4</sup> Given the correlation between fertility and age, young adults are more likely to qualify for an SEP due to a birth, and more likely to be impacted by limitations on SEPs.

HHS should collect more information on the new SEP confirmation process, to determine whether it delays or prevents eligible families from enrolling in coverage. HHS should also resist any attempts to further restrict the SEP for having a child, to ensure that people who experience this major life change have the opportunity to enroll in marketplace coverage outside of the open enrollment period.

## Current Status of the SEP for Having a Child

Under current rules, people who have a child are allowed to add the baby to their current plan or change plans based on the needs of their – now bigger – family through an SEP. If a consumer enrolls through this SEP, his or her coverage can start on the baby's date of birth,<sup>5</sup> providing potentially critical coverage for the newborn and its family.

HHS has not released information on the exact number of people who used the SEP for childbirth last year. Based on data HHS released on special enrollments during the first half of the 2015, though, we know that that SEPs for childbirth made up at most (but likely less than) 16

---

<sup>1</sup> 45 C.F.R. 155.420(d), <https://www.law.cornell.edu/cfr/text/45/155.420>.

<sup>2</sup> Sarah Lueck, "Insurers' Push to Restrict Special Enrollment Periods Would Block Uninsured People," CBPP, February 10, 2016, <http://www.cbpp.org/health/insurers-push-to-restrict-special-enrollment-periods-would-block-uninsured-people>.

<sup>3</sup> "Health coverage if you're pregnant or plan to get pregnant," HealthCare.gov, <https://www.healthcare.gov/what-if-im-pregnant-or-plan-to-get-pregnant/>.

<sup>4</sup> Brady E. Hamilton, et al., "Births: Final Data For 2014," National Vital Statistics Report, December 23, 2015, 2, [http://www.cdc.gov/nchs/data/nvsr/nvsr64/nvsr64\\_12.pdf](http://www.cdc.gov/nchs/data/nvsr/nvsr64/nvsr64_12.pdf).

<sup>5</sup> "Health coverage if you're pregnant or plan to get pregnant," HealthCare.gov, <https://www.healthcare.gov/what-if-im-pregnant-or-plan-to-get-pregnant/>.

DC ■ CA ■ CO ■ IL ■ NY ■ TX

[younginvincibles.org](http://younginvincibles.org)

Facebook: [/together.invincible](https://www.facebook.com/together.invincible) | Twitter: [@younginvincible](https://twitter.com/younginvincible)

percent of special enrollments in the FFM – a relatively small percentage compared to the 50 percent of SEP enrollments due to a loss of coverage.<sup>6</sup>

Nevertheless, insurers are pressuring HHS to limit use of the SEP for childbirth. In response to insurer complaints, HHS announced a new SEP confirmation process in 2016.<sup>7</sup> Consumers in the 38 states using the HealthCare.gov platform now have to submit documentation to verify their eligibility for the five most common SEPs, including the SEP for childbirth.<sup>8</sup> In addition, some insurers have asked HHS to stop letting people change plans when they have a baby all together.<sup>9</sup>

### **Why Young Parents Need Access to a SEP for Childbirth**

Young parents could have a variety of reasons for selecting new health plans when they have a child. A new mom may need to change plans to access recommended providers for her postnatal care. Or a different plan may allow a family to better manage their out-of-pocket costs now that they are on a family plan rather than an individual plan. It would be unreasonable to expect every potential parent to be able to pick out a plan during open enrollment that would be suitable for their family if and when they were to have a baby. Moreover, half of pregnancies are unplanned,<sup>10</sup> making it unreasonable to expect young parents to choose health plans in advance of something that's not expected.

In addition to addressing the potential need to choose different provider networks or plan structures following the birth of a child, the SEP for childbirth ensures that mothers and newborns can access critical postnatal care. The postnatal or postpartum period is vital for moms and babies, with most maternal and infant deaths taking place during this time.<sup>11</sup> New moms and babies need routine check-ups during the postnatal period, and may require additional care if they experience postpartum hemorrhage or depression (mothers) or are born premature or with birth defects or other health conditions (newborns).<sup>12</sup> Allowing consumers to enroll in or change marketplace coverage when they have a baby helps ensure that mothers and newborns can get the care they need to stay healthy, a goal that everyone should be able to support. And protecting this SEP is particularly important for young adults, who make up the vast majority of new parents.

<sup>6</sup> <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-08-13.html>

<sup>7</sup> Kevin Counihan and Shantanu Agrawal, "The New Special Enrollment Confirmation Process," The CMS Blog, February 24, 2016, <https://blog.cms.gov/2016/02/24/the-new-special-enrollment-confirmation-process/>.

<sup>8</sup> Ibid.

<sup>9</sup> Sarah Lueck, "Insurers' Push to Restrict Special Enrollment Periods Would Block Uninsured People," CBPP, February 10, 2016, <http://www.cbpp.org/health/insurers-push-to-restrict-special-enrollment-periods-would-block-uninsured-people>.

<sup>10</sup> Lawrence Finer and Mia Zolna, "Shifts in Intended and Unintended Pregnancies in the United States, 2001–2008," American Journal of Public Health 104, no. S1 (2014): S45, <http://www.guttmacher.org/pubs/journals/ajph.2013.301416.pdf>.

<sup>11</sup> World Health Organization, WHO recommendations on postnatal care of the mother and newborn (2013), 1, [http://www.who.int/maternal\\_child\\_adolescent/documents/postnatal-care-recommendations/en/](http://www.who.int/maternal_child_adolescent/documents/postnatal-care-recommendations/en/).

<sup>12</sup> See "Postpartum care," March of Dimes, <http://www.marchofdimes.org/pregnancy/postpartum-care.aspx>.

## **Potential Implications of SEP Restrictions for Childbirth**

In September 2016, HHS announced early findings from their new SEP confirmation process. HHS found that “in the seven weeks after implementation, [SEP] plan selections in 2016 were almost 15 percent lower than during the same weeks last year.”<sup>13</sup> Unfortunately, HHS did not release information on which of the five SEPs plan selections that require documentation are down as a result of the new process. However, it is possible that some new parents have been deterred from enrolling in or changing plans due to the heightened requirements. Therefore, HHS should collect more information on how the new SEP confirmation process impacts enrollments, to determine whether the process delays or prevents eligible families from enrolling in coverage.

Making it harder for young parents to access the SEP for having a baby could have serious health and financial consequences for young families. Parents might need to switch to a plan with lower premiums or deductibles given the new financial obligations from having a baby. Families might want to all be on one plan, to make managing their health insurance easier. New moms may want to access particular providers for their postpartum care. And previously uninsured parents might place greater value on taking care of their health, now that they have someone else to take care of. HHS should not place any additional restrictions on this important opportunity for families to change coverage outside of the open enrollment period.

It is important to remember that before the Affordable Care Act (ACA), most insurers in the individual health insurance market considered pregnancy a “pre-existing condition” and could deny coverage to pregnant women or charge them more for coverage, even if it did not include maternity care.<sup>14</sup> And indeed, the vast majority of health plans sold on the individual market did not include maternity coverage.<sup>15</sup> The ACA banned these harmful practices, and made it a requirement for most insurance plans to include maternity and newborn care as one of 10 Essential Health Benefits. Ensuring that young families can access these benefits through the special enrollment process is crucial to realizing the promise of the ACA.

---

<sup>13</sup> CMS, “Frequently Asked Questions Regarding Verification of Special Enrollment Periods,” September 6, 2016, available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/FAQ-Regarding-Verification-of-SEPs.pdf>.

<sup>14</sup> E.g. “The Affordable Care Act and Maternity Care,” HHS.gov, last reviewed on May 13, 2015, <http://www.hhs.gov/healthcare/facts-and-features/fact-sheets/aca-and-maternity-care/index.html>

<sup>15</sup> E.g. Turning to Fairness: Insurance discrimination against women today and the Affordable Care Act (Washington, DC: National Women’s Law Center, 2012), 4, accessed December 14, 2014, [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2012\\_turningtofairness\\_report.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2012_turningtofairness_report.pdf).