

Understanding Minimum Essential Coverage



About this
fact sheet

Starting in 2014, everyone must have health insurance that covers their basic health care needs. This is called having “minimum essential coverage.” The only people who do not need to get basic health insurance are the ones who get an “exemption.” If you don’t get minimum essential coverage or an exemption, you will have to pay a fee.

1. What type of health insurance do I need to have in order to avoid paying a fee?

In general, if you have health insurance, you won’t have to pay a fee. Most people have one of these types of insurance, all of which count as “minimum essential coverage”:

- CHIP (Children’s Health Insurance Program)
- CHAMPVA
- COBRA
- Department of Defense non-appropriated fund
- health insurance through your job
- health insurance you buy on your own
- Medicaid (full)
- Medicare Part A
- Medicare Advantage
- Peace Corps
- Refugee Medical Assistance
- retiree coverage from your former job
- TRICARE (full)
- veterans’ medical benefits for veterans with a service-connected disability
- veterans’ health care program for children of veterans with spina bifida

The federal government may approve plans that are not on this list. For example, plans offered by foreign countries to their residents living in the United States or student health plans may qualify. To be considered minimum essential coverage, plans need to apply to the government first. If the government approves them, they will send a notice to their plan members letting them know.

If you get insurance through your job or if you bought a plan on your own, you can check page 4 of the “Summary of Benefits and Coverage” document to see if your plan counts as minimum essential coverage.

2. What does not count as minimum essential coverage?

Some types of insurance don’t count as being good enough to qualify as basic health insurance, and you will still have to pay a fee unless you get an exemption. These include:

- car insurance
- discount plans that give you a discount on drugs or doctor visits, but do not pay for health care services
- Medicaid that pays for only emergency services
- plans that pay for services that treat one specific disease or condition, such as cancer plans
- plans that pay you a set amount if you are sick or in the hospital, but do not pay for health care services
- short-term plans
- some state or local public health plans
- workers’ compensation plans

Some plans don’t count as minimum essential coverage, but the federal government has said that you *probably* won’t have to pay a fee if you have one of these plans in 2014. Watch for notices from your health insurance company that will tell you more in the coming months. These plans are:

- Some limited forms of Medicaid (If you have Medicaid that pays for only a few services, check with your Medicaid agency or the marketplace to see if this counts as minimum essential coverage.)
- TRICARE that pays for care only if you are injured in the line of duty or if you are getting care in a facility for uniformed service members

If you have insurance that doesn’t count as minimum essential coverage, you can enroll in a plan through the marketplace and apply for financial assistance to help pay for that plan.

The complete *What You Need to Know about Health Insurance* series:

Applying for Health Insurance

Answering Questions about Your Family When Applying for Health Insurance

Answering Questions about Your Family's Income When Applying for Health Insurance

Applying for a Marketplace Plan if You Can Get Health Insurance through Your Job

What to Do if You Are Uninsured after February 15, 2015

Getting Financial Assistance

Getting Financial Assistance to Pay for Health Insurance

Deciding How Much Financial Assistance to Use to Lower Your Monthly Premiums

Will I Be Able to Get Financial Help to Pay for Health Insurance?

How Getting Financial Assistance to Pay for Health Insurance Affects Your Taxes

Getting Extra Financial Assistance to Help Pay Health Care Costs

Choosing a Health Plan

Choosing the Health Plan that's Right for You

Choosing a Health Plan You Can Afford

Understanding the Differences between Platinum, Gold, Silver, and Bronze Plans

Understanding Catastrophic Health Insurance

Buying Children's Dental Coverage through the Marketplace

Keeping and Using Health Insurance

How to Use Your Health Insurance

How to Keep Your Marketplace Health Insurance

What to Do after You Buy Health Insurance in the Marketplace

Understanding the Requirement to Have Health Insurance

Understanding the Requirement to Have Health Insurance

Understanding Minimum Essential Coverage

Reference Charts and Graphics

Income Guidelines for Getting and Using Financial Assistance for Health Insurance

Income Guidelines for Getting Extra Financial Assistance to Pay for Health Care Costs

Types of Exemptions from the Requirement to Have Health Insurance

A complete list of Families USA publications is available online at www.FamiliesUSA.org/resources/publications.

PUBLICATION ID: 028NAV092915

