

**HEALTH COVERAGE TAX CREDIT PROGRAM  
QUESTIONS AND ANSWERS**

***1. Who is eligible for the Federal HCTC & MDHCTC Benefits?***

Only individuals who are certified to receive assistance under the Trade Adjustment Act and are receiving Trade Readjustment Assistance (TRA) or would be receiving TRA but have not exhausted their Unemployment Insurance (UI) benefits,

Individuals over 55 years of age who receive pension benefit payments from the Pension Benefit Guarantee Corporation (PBGC),

Or individuals over 50 years of age covered under the Alternative TAA program are eligible to receive assistance.

You must also be enrolled in a qualified health plan in order to receive assistance under the Federal HCTC Program or the Maryland HCTC Program.

***2. Will MDHCTC pay my insurance premiums directly to the insurer?***

The MDHCTC Gap Program will pay 65% of qualified individuals' health insurance premium for up to 3 payment cycles. The individual will need to pay 35% of the premium and any other applicable costs by **money order to Tri-County Council** and mail the payment to the Payment Center. Once payment is received from the individual, MDHCTC will make a check payable to the health insurer for 100% of the premium and mail the check to the insurer. **Payments must be received by the Tuesday of each week, or they will not be made until the following week.**

***3. What if the claimant does not attach the 35% payment or if the bank returns his or her payment for Insufficient Funds?***

It is the claimant's responsibility to provide the approved 35% payment requested by MDHCTC. Partial or total payments **will not be made** on behalf of the claimant without receipt of their 35% payment portion. MDHCTC requires payment by money order or certified check to avoid such problems.

***4. I have already paid the premiums for my health insurance coverage for September and October. Will MDHCTC reimburse me for 65% of those premiums?***

**NO.** The MDHCTC will pay 65% of the claimant's health insurance premium for up to three months while the claimant applies for payment under the Federal HCTC Program. MDHCTC cannot reimburse individuals for premiums already paid. Individuals may, however, claim the year-end tax credit for months which they were eligible, but did not receive the Advance Payment.

**5. My insurance lapsed between the time I was laid off and now. Can I still sign up for insurance and receive MDHCTC assistance and the Federal HCTC Advance Payment from IRS?**

Ability to enroll in health insurance is up to the insurance provider. If you do not have insurance and would like insurance that is eligible for the HCTC, contact the Qualified Health Plans for the MDHCTC Program:

- a) Maryland Health Insurance Plan (MHIP).  
For more information contact MHIP at (866) 780-7105
- b) CareFirst BlueCross BlueShield (one HCTC Qualified Plan)  
For more information, call 1-800-544-8703
- c) Your COBRA Coverage through your previous company

**6. My insurance premium payment is due at the first of the month. Will I receive the advance 65% payment from the MDHCTC in sufficient time to meet payment deadlines?**

Once the MDHCTC receives your application, it will take approximately 15 days to:

- Process your application,
- Give you the notice on your 35% share of the premium,
- Receive your money order for that amount,
- Forward the MDHCTC check for 100% of the payment to your insurance company.

It is your responsibility to be sure that there is sufficient time to make your payment through MDHCTC. If you do not feel that there is enough time, you should make a payment yourself directly to the insurance company and proceed with MDHCTC for the following month.

REMEMBER: not meeting your deadline may mean cancellation of your coverage.

**7. The application asks for the name and address of my Insurance Company. Will MDHCTC have access to my confidential health insurance information?**

No, MDHCTC will only have access to information about your premium amount and whether or not you were covered under a given insurance policy for the months in which you received the Advance Payment. This information will be used only to verify eligibility for those months.

**8. When I was laid-off, we received coverage under my spouse's employer's plan. Is my family eligible for the HCTC assistance and the MDHCTC Gap Program?**

This type of coverage could be eligible for the HCTC, but does not qualify for the advance premium payment. You should call the Federal HCTC Program for information on this option. (1-866-628-4282).

**9. I am TRA eligible, but I have accepted a job that pays less than my former work. Am I eligible for HCTC and the MDHCTC Gap Program?**

It is not sufficient to simply be eligible for TRA assistance. You must also be drawing either TRA benefits or Unemployment Insurance benefits under your TRA eligibility.

***10. I am TRA eligible and enrolled in a qualified state plan that also covers my spouse and children. Are my dependents eligible for advance payment of 65% of my health coverage premium through HCTC and the MDHCTC Gap Program?***

Your dependents are eligible under the MDHCTC Gap Program. They are also eligible under the Federal HCTC program as long as they meet the eligibility requirements as described in the Federal HCTC Program Kit. (e.g., dependents who are eligible for Medicare Part A or who are enrolled in Medicare Part B are ineligible for the tax credit.) If you don't have access to the Federal HCTC Program Kit, contact the Federal HCTC Customer Contact Center at 1-866-628-4282 to verify the eligibility of any dependents for whom you wish to claim the credit.

***11. My family is enrolled in a qualified state health plan, under my spouse's name. My spouse is not TRA eligible. Are we eligible for advance payment under HCTC and the MDHCTC Gap Program?***

No, the insurance policy must be under the name of the TRA eligible individual. You can ask your insurance company to put the policy under your name instead.

***12. I am TRA eligible and have Veteran's Administration health coverage. However, my dependent has serious health conditions and is not covered by the VA. In order to keep our premium payment lower, can I enroll my dependent and not enroll myself in a state qualified plan?***

No. Veteran's Administration health care is not considered a state qualified plan. In order for a TRA eligible individual to qualify for the Federal HCTC and the MDHCTC Gap Program, the TRA eligible individual must be enrolled in either a state qualified plan, COBRA, individual insurance purchased and effective at least 30 days before your date of separation, or an insurance policy under a spouse's employer where the employer pays less than 50% of the eligible premium. As long as the TRA eligible individual is enrolled in a qualified plan, the individual's dependents qualify for the MDHCTC Gap Program. In order to be eligible for advance payment under the Federal HCTC Program, the dependents must also meet the eligibility criteria specified in the Federal HCTC Program Kit. However, dependents are not eligible unless the TRA eligible individual is enrolled in a qualified plan.

***13. I am TRA eligible and enrolled in the state qualified health plan. My spouse has coverage under a separate state qualified plan. Assuming that we both meet the HCTC eligibility requirements; do we qualify for advance payment of 65% of both premiums under Federal HCTC and MDHCTC?***

Yes, as long as you and your dependents are enrolled in state qualified plans, you qualify for advance payment under the Federal HCTC and the MDHCTC Gap Programs.

***14. I am covered under my former employer's health plan under COBRA until October 31. I would like to switch to a state qualified health plan effective November 1. Will I qualify for advance payment under Federal HCTC and MDHCTC? Also, will I still have access to guaranteed coverage with no waiting period for preexisting conditions if I switch from COBRA to the state qualified plan later than 60 days after my date of separation?***

Yes, you can switch from COBRA to the state qualified plan at any time as long as there is no break in coverage and still qualify for guaranteed coverage, no waiting period, and advance payment under Federal HCTC and MDHCTC.

***15. I have been eligible for and drawing trade act assistance for several months. However, I did not become aware of the HCTC program until recently and the 63 day window for me to accept COBRA coverage or to enroll in one of the state qualified plans with guaranteed coverage and no waiting period has passed. Can I still receive health coverage, and am I still eligible for the Federal HCTC and MD HCTC Program?***

You can still apply for coverage with one of the state-qualified plans. However, because more than 63 days have elapsed since your separation date, you are no longer guaranteed coverage under any of the plans, and they may impose a waiting period for pre-existing conditions. If you are able to obtain coverage under one of the state-qualified plans, you will still qualify for the MDHCTC Gap Program.

***16. I have already received the Federal HCTC package in the mail from the IRS and I have completed the application and returned it. Am I still eligible for the MDHCTC Gap Program?***

You are eligible for the MDHCTC Gap Program for up to three months while the Federal HCTC Program is processing your application. The MDHCTC will cross match with the Federal HCTC to avoid making double payments to your insurance company. If the Federal HCTC program has already begun making payments to your insurance program, it is not necessary to apply for the MDHCTC Program, as it designed to provide assistance while you wait for the Federal Program to complete your enrollment.

***17. Important contact information:***

a) Federal HCTC Program:  
1-866-628-4282  
[www.irs.gov](http://www.irs.gov), keyword HCTC

b) Maryland HCTC  
1-877-341-7697  
[www.mdhctc.info](http://www.mdhctc.info)  
MDHCTC  
PO BOX 1316  
SALISBURY MD 21802-1316