

Native Americans and the Requirement to Get Health Insurance

Most people are now required to get healthcare coverage under the Affordable Care Act. This is also known as the “individual mandate” to get insurance. **Indian Health Services does not count as insurance under the new law.**



What is the penalty for being uninsured? If you do not have health insurance, you will have to pay a tax penalty for each month you are uninsured. For 2015, the penalty for being uninsured for the whole year will be \$325 per uninsured adult and \$162.50 per child, or 2% of taxable income (whichever is more). In 2016, the penalty rises to \$695 per uninsured adult and \$347.50 per child, or 2.5% of taxable income, whichever is more.

Is it true that Native Americans do not have to pay the penalty? Yes. Native Americans are exempt from paying a penalty if you remain uninsured and belong to one of these groups:

1. Members of federally-recognized Indian tribes; or
2. Anyone who is eligible for health services through an Indian health care provider – including IHS, a tribally operated clinic, or Urban Indian clinic.

Do I need to do anything to avoid the penalty? Yes. Although Native Americans are exempt from paying a penalty, you must apply for the exemption. For members of federally recognized tribes, you can apply for the exemption through the Exchange or with the IRS when you file your taxes. For individuals who are eligible for Indian health care services, you can apply only through the Exchange. The Exchange will give you a “certificate of exemption” that will last as long as your status remains the same.

Are there any good reasons to get insurance even though I do not have to pay a penalty? Many Native Americans are able to get healthcare coverage for no cost or very low cost through Medicaid or the Exchange. As a Native American, it is your choice whether you want to get this coverage, but there are good reasons to have it. Insurance coverage will allow you to access more services on and off the reservation, without needing a referral from contract health services. Also, when you visit an Indian health provider, you are helping strengthen the entire Indian health system because your insurance (or Medicaid) can be billed for your services. That means more Indian health money can be used to provide more services and hire more medical professionals. Ultimately, having insurance will mean more options for you and your family and will help your community by making Indian health care better.