

Tax Dependents With Social Security Income Error Notice



July 21, 2015

Marketplace Income-related Error

- Some Federally facilitated Marketplace (FFM) enrollees who have tax-dependents with Social Security income may have been impacted by an income-related system error that erroneously inflated their household income resulting in incorrect eligibility determinations.
- The error was fixed on April 17, 2015
- Enrollees who return to the Federally-facilitated Marketplace (Marketplace) to update their applications may experience a change in counted income, which may affect their eligibility for Advance Payments of the Premium Tax Credit (APTC) and Cost-Sharing Reductions (CSRs):
 - Some enrollees may become newly eligible for APTC/CSRs;
 - Some enrollees may be determined eligible for more APTC/CSRs; or
 - Some enrollees may be assessed or determined newly eligible for Medicaid or the Children's Health Insurance Program (CHIP).
 - Some enrollees in non-expansion states may lose eligibility for APTC/CSR
 - **Note:** These scenarios assumes there are no changes to the application information; however there is a possibility financial eligibility could decrease if the enrollee reports certain changes when updating their application.

Notifying Affected Consumers

The Centers for Medicare & Medicaid Services (CMS) will be conducting outreach and notifying affected consumers to:

- Inform them of the error
- Ask them to return to the Marketplace to update their application and receive an updated eligibility determination.
- Inform them of the availability of a Special Enrollment Period (SEP), with the option to make changes retroactively back to their original coverage effective date for 2015 (as early as January 1, 2015), when applicable.

Scenarios For 2015 Coverage

Scenario 1: If the outcome of the new eligibility determination for one or more persons on the application is:

- Previously unenrolled, and becomes newly eligible for APTC/CSRs
 - Option 1: Consumers will be provided a SEP to enroll in a plan with a prospective effective date.
 - Option 2: Consumers may request a SEP with a retroactive effective date, back to the coverage effective date they would have had based on when they completed their 2015 application.

NOTE: Consumers will need to pay their premiums due for ALL previous months by their issuer's deadline.

Scenarios For 2015 Coverage

Scenario 2: Previously enrolled in a Qualified Health Plan (QHP) without subsidy but now is newly eligible for APTC/CSRs

- Option 1: Apply APTC/CSRs prospectively to their current plan or new plan (Accumulators may be reset with a new plan/issuer).
- Option 2: Apply APTC/CSRs retroactively to the current or new plan back to original coverage effective date. (Accumulators may be reset with a new plan/issuer).

NOTE: If the enrollee changes plans, he/she will need to pay ALL premiums due for the previous months. Under the guidelines of 45 CFR 155. 430(d)(8), the losing issuer must take the appropriate actions to make necessary adjustments, to advance payments of the premium tax credit, cost-sharing reductions, premiums, claims, and user fees.

Scenarios For 2015 Coverage

Scenario 3: Remain eligible for APTC/CSRs, with increased amount of APTC/CSRs

- Option 1: Apply increased APTC/CSRs prospectively to their current plan or new plan (Accumulators may be reset with a new plan/issuer).
- Option 2: Apply increased APTC/CSRs retroactively to their current plan or new plan to original coverage effective date. (Accumulators may be reset with a new plan/issuer).

NOTE: If the enrollee changes plans, he/she will need to pay ALL premiums due for the previous months. Under the guidelines of 45 CFR 155. 430(d)(8), the losing issuer must take the appropriate actions to make necessary adjustments, to advance payments of the premium tax credit, cost-sharing reductions, premiums, claims, and user fees.

Scenarios For 2015 Coverage

Scenario 4: Newly eligible for Medicaid or CHIP

- Option: Terminate their Marketplace coverage with APTC/CSRs

Scenario 5: Ineligible for any financial assistance (consumers in non-expansion states)

- Option: Enroll in a Qualified Health Plan (QHP) at the full cost