



Health Reform: **Beyond the Basics**

healthreformbeyondthebasics.org

FFM Renewal Process for 2016 Coverage

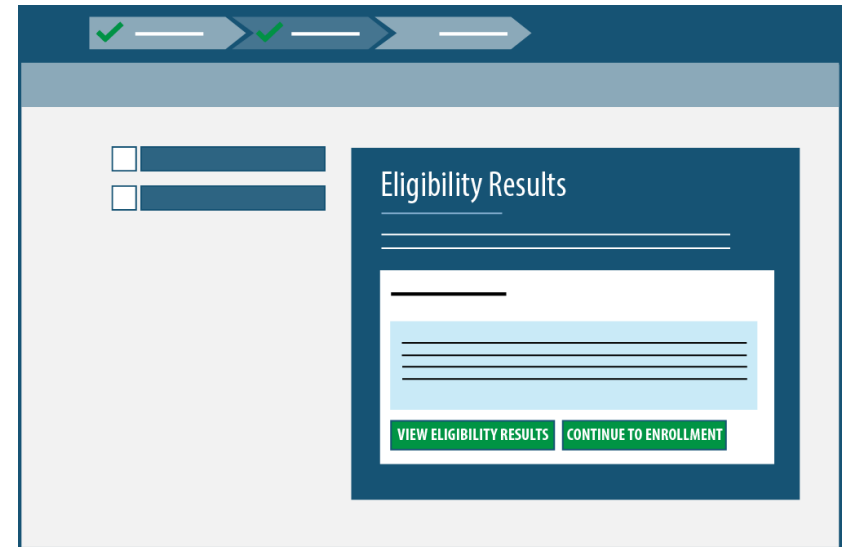
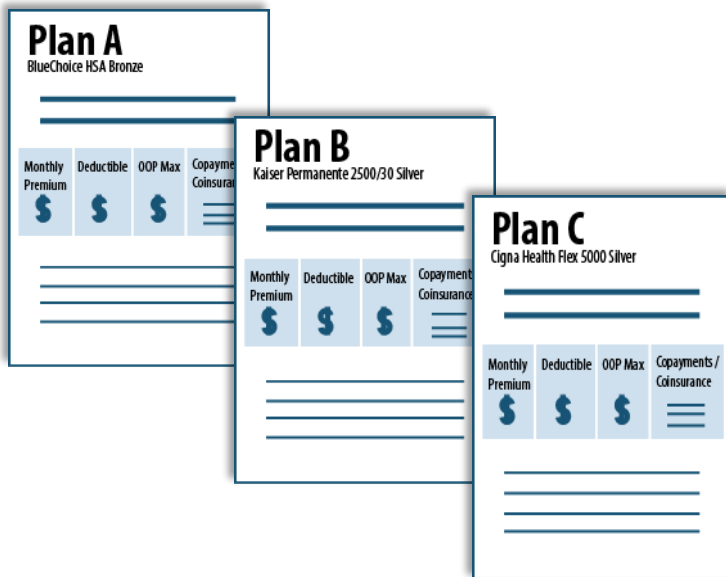
Center on Budget and Policy Priorities

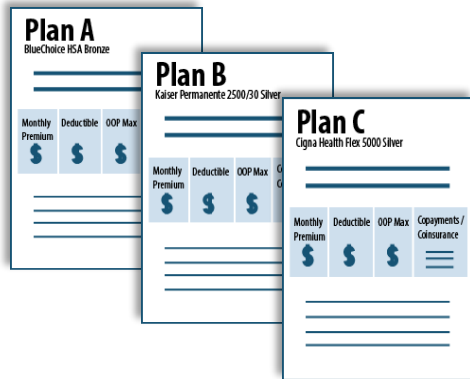
October 6, 2015

- Overview of open enrollment
- Auto-enrollment into plans in the FFM
- Auto-renewal of APTCs in the FFM
- Tips for assisters

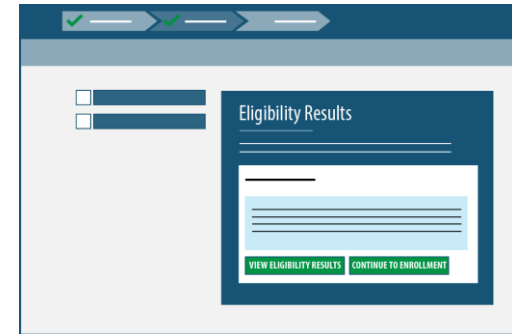
Overview of Open Enrollment

1. Review health plan options for 2016 and decide whether to stay in current plan or select a new plan.
2. Update information and renew eligibility for advance premium tax credits and cost-sharing reductions.





VS.

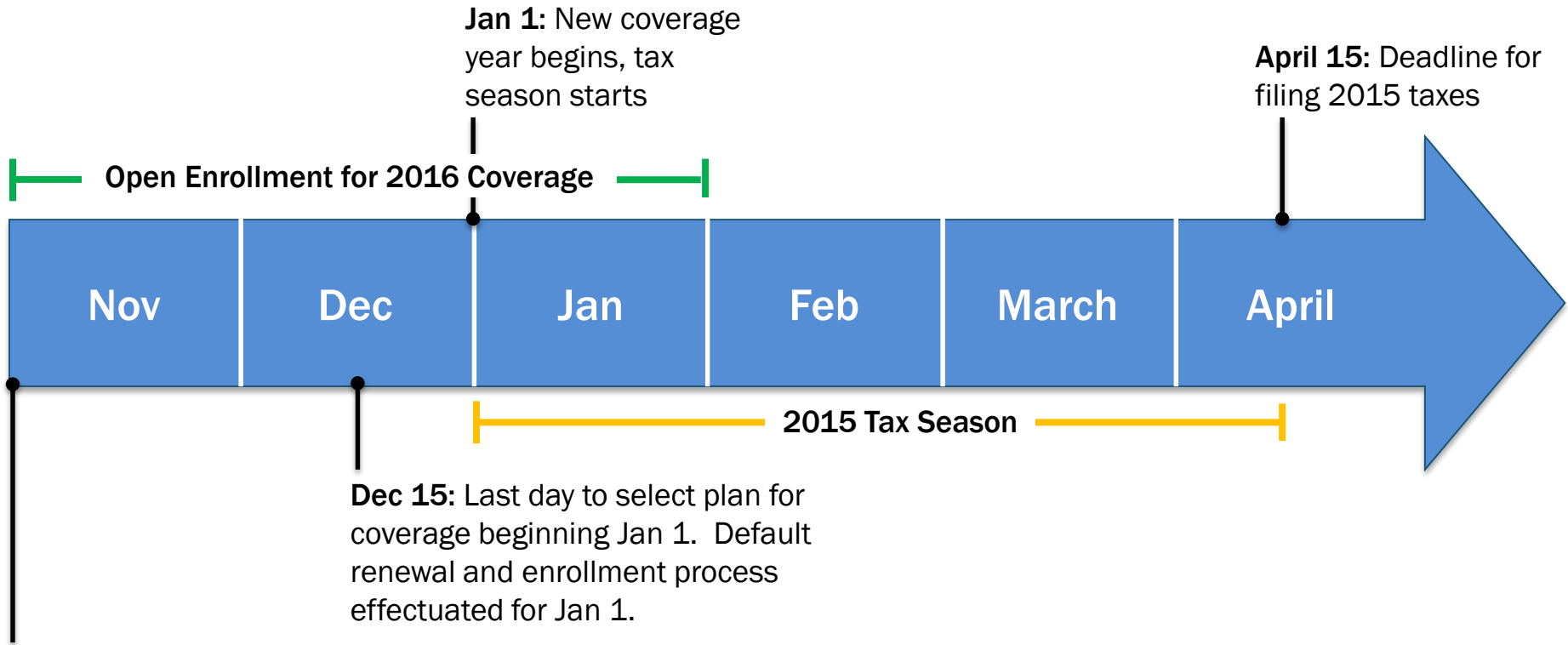


Auto-Enrollment

Process by which FFM determines 2016 plan enrollment when consumer takes no action

Auto-Renewal / Redetermination

Process by which FFM redetermines 2016 APTCs and CSRs when consumer takes no action



Pre-Nov 1

- Notices from the Marketplace sent out to enrollees about open enrollment
- Notices from issuers sent out to enrollees about renewal of 2015 coverage and (if applicable) information on product discontinuations

- Notices from Insurers
 - Availability of current plan
 - If current plan not available, information on new plan or discontinuance of coverage
 - Premiums for current or new plan
- Marketplace Open Enrollment Notices
 - Description of annual redetermination and re-enrollment process
 - Requirement to report changes
 - Important deadlines for open enrollment
 - For people receiving APTCs and CSRs, explanation of how amount of assistance will be determined for 2016 if enrollee does not contact the Marketplace

Auto-Enrollment into Plans in the FFM


- Regulations set out a hierarchy for a person's current insurer to select a new plan for consumer:
 - Enroll consumer in the same type of Marketplace plan (i.e. HMO, PPO) at the same metal level if possible.
 - If not possible, enroll consumer in a different metal level and/or plan type or in a plan outside the Marketplace according to the hierarchy in the regulations.
- If the insurer is no longer offering coverage inside or outside the Marketplace, consumers must return to Marketplace and select a new plan from a different insurer.

- Consumer eligible for cost-sharing reductions is auto-enrolled into a non-silver plan
- Consumer eligible for advance premium tax credits is auto-enrolled into a plan outside of the Marketplace


Auto-Renewal of APTCs in the FFM



Eligible to re-enroll **with** APTCs/CSR



Eligible to re-enroll **without** APTCs/CSR



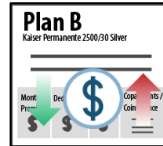
Do nothing:
APTCs/CSR renewed *with same APTCs/CSRs as received in 2014*

Provide updated info to the Marketplace:
APTCs/CSR renewed based on updated information from consumer, using new FPLs and benchmark premiums

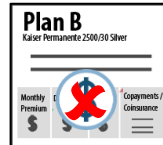
Do nothing:
Auto-enrolled without APTCs/CSR



Eligible to re-enroll **with** APTCs/CSR



Eligible to re-enroll **without** APTCs/CSR



Do nothing:
APTCs/CSR renewed *using updated FPLs and benchmark premiums and most recent income information*

Provide updated info to the Marketplace:
APTCs/CSR renewed based on updated information from consumer, using new FPLs and benchmark premiums

Do nothing:
Auto-enrolled without APTCs/CSR



	Standard Notice Group	Income Based Outreach Notice Group
Recipients	Everybody	<ul style="list-style-type: none">– 2015 eligibility shows income above 350% FPL– 2014 tax income above 350% FPL, more than 50% different from 2015 eligibility, under 100% FPL, or other criteria– No updated 2014 tax return information
Message	Dates for open enrollment, description of renewal, reminder to report changes, explanation of how 2016 APTCs and CSRs will be established	Likely had changes and encouraged to return to Marketplace
Outcome	Renewed using most recent income information available and auto-enrolled if no action taken	Renewed using most recent income information available and auto-enrolled if no action taken

	Opt Out Notice Group	Special Notice Groups	Did Not Reconcile Group
Recipients	People who did not give consent to check 2014 IRS data	2014 tax information shows income above 500% FPL (using updated thresholds)	People who received APTCs in 2014 and who didn't file taxes and reconcile APTCs received in 2014
Message	Return to Marketplace to provide consent and update eligibility	Likely to be over-income for APTCs and encouraged to return to Marketplace	Encouraged to file and reconcile 2014 APTCs and return to Marketplace
Outcome	Auto-enrolled without APTCs/CSRs if no action taken	Auto-enrolled without APTCs/CSRs if no action taken	Auto-enrolled without APTCs/CSRs if no action taken

- Information used to auto-renew 2016 APTCs and CSRs will include:
 - Updated federal poverty levels
 - 2016 benchmark plan premium information
 - Most recent income information available adjusted to 2016*
 - 2015 projected income
 - 2014 IRS filing
 - Projected 2014 income

* Adjustment factor is the rate of growth in the federal poverty level for the applicable family size

Household Size	Adjustment Factor	
	Rate of Growth in the Federal Poverty Levels from 2014 – 2016	Rate of Growth in the Federal Poverty Levels from 2015 – 2016
1	1.0244	1.0086
2	1.0271	1.0127
3	1.0287	1.0152
4	1.0297	1.0168

For example:

If Ed and his wife earned \$22,000 in 2015 and is being auto-renewed for 2016 coverage, what is their income equivalent to in 2016?

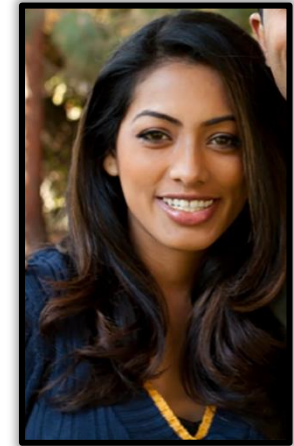
- $\$22,000 \times 1.0127 = \mathbf{\$22,279}$

What if he and his wife earned \$22,000 in 2014 and that is the most recent income information available? What is their income equivalent to in 2016?

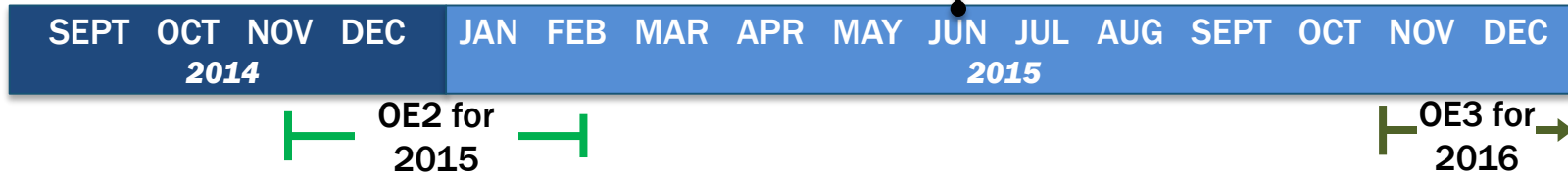
- $\$22,000 \times 1.0271 = \mathbf{\$22,596}$

Example 1: Enrolls in 2015

- Katie graduates from college, loses student health insurance, newly enrolls into Marketplace coverage in June 2015.



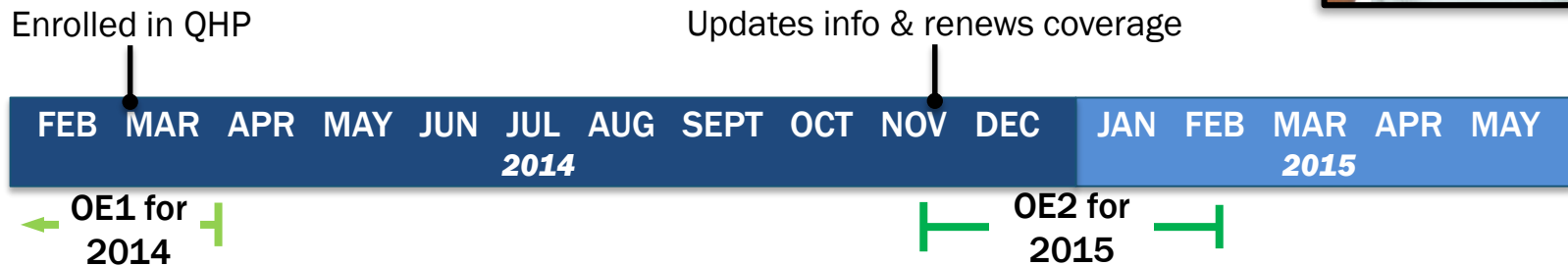
Loses student coverage & enrolls in QHP



	2015 Projected Income	Adjustment Factor	2016 Projected Income
Household Income	\$17,000	x 1.0086	\$17,146
Corresponding FPL	146%		146%

Example 2: Not auto-renewed for 2015

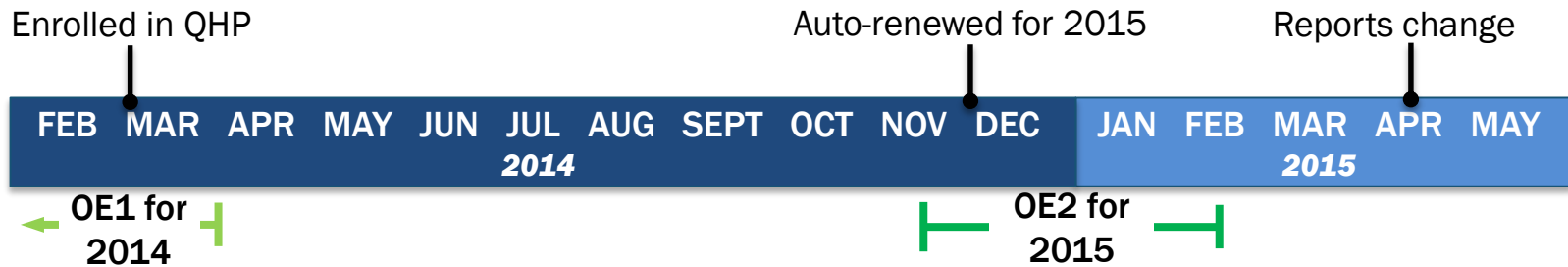
- John was enrolled in 2014, came back during second open enrollment period to update his info, and got APTCs renewed.



	2015 Projected Income	Adjustment Factor	2016 Projected Income
Household Income	\$25,000	x 1.0086	\$25,215
Corresponding FPL	214%		214%

Example 3: Auto-renewed then reports change in 2015

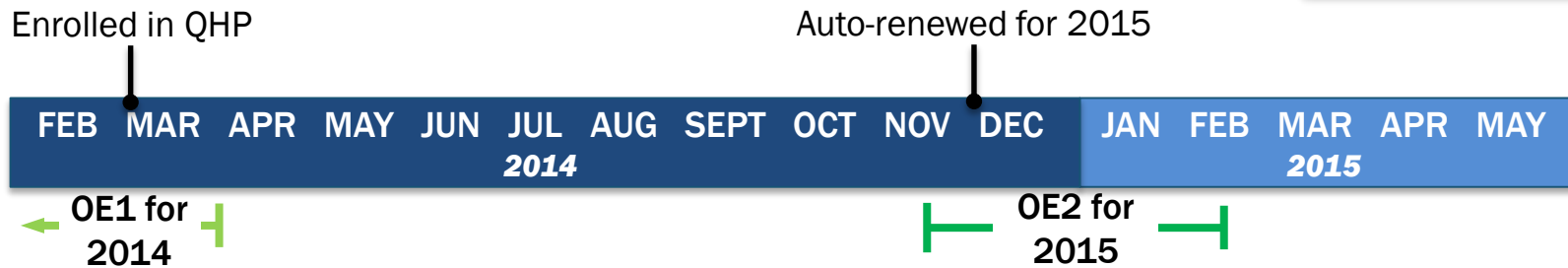
- David was enrolled in 2014, auto-renewed for 2015. Had a change in income and reported change in April 2015.



	2015 Projected Income	Adjustment Factor	2016 Projected Income
Household Income	\$40,000	x 1.0086	\$40,344
Corresponding FPL	343%		343%

Example 4: Auto-renewed for 2015

- Sasha was enrolled in 2014 and auto-renewed for 2015.



	2014 Tax Income	Adjustment Factor	2016 Projected Income
Household Income	\$32,000	x 1.0244	\$32,781
Corresponding FPL	279%		279%

Joe and Danielle 2015 Eligibility:

- Household income: \$31,460 (200% FPL in 2015)
- In 2015, they enroll in the benchmark plan (\$5,500 total cost)
- APTC for 2015: \$3,505 (\$292/month)



2016 Eligibility if Auto-Renewed:

- Household income is adjusted: $\$31,460 \times 1.0127$ (adjustment factor) = \$31,859 (200% FPL in 2016)
- Benchmark plan changes to a new plan costing \$5,300
- Joe and Danielle's plan will cost \$5,700 in 2016 (no longer the benchmark)
- **Recalculated APTC for 2016: \$3,258 (\$272/month)**

*NOTE: If auto-renewed using the process from last year, their APTC would be **\$3,505 (\$292/month)** and they would owe back excess APTC they received during the year*

Tips for Assisters

- Emphasize the importance of updating information and shopping for plans
- Educate consumers who received APTCs in 2014 about the need to file a 2014 tax return and reconcile their APTCs, and refer to tax professionals, if possible
- Prioritize people who received special and income-based notices, did not provide consent to view 2014 tax information, and had significant life changes
- Compare 2014 and 2015 projections with actual income to facilitate more accurate income projections

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For more information and resources, please visit:

www.healthreformbeyondthebasics.org

This is a project of the Center on Budget and Policy Priorities, www.cbpp.org