Healthcare.gov Auto-Renewal Process for 2019

Center on Budget and Policy Priorities
September 27, 2018
Two-Step Auto-Renewal Process When No Action Taken

Redetermining Eligibility & Amount of Financial Help

→ Process Healthcare.gov uses to redetermine eligibility for 2019 advance premium tax credits (APTC) and cost-sharing reductions (CSR)

VS.

Auto-Enrollment into a Plan

→ Process Healthcare.gov uses to assign 2019 plan enrollment
Notices About Renewal Process

Marketplace Open Enrollment Notices (MOEN)

• Description of redetermination and re-enrollment process
  → Multiple reminders about importance of updating application and comparing plan options
  → If eligible, explanation of how amount of APTC/CSR will be determined for 2019 if enrollee does not contact the Marketplace
  → For certain groups, will include warning that if no action is taken, will be re-enrolled WITHOUT APTC or CSR

• Important deadlines for open enrollment
• Requirement to report changes

For more information on Marketplace notices, see sample notices from CMS: marketplace.cms.gov/applications-and-forms/notices.html
Notices About Renewal Process

Notices from Insurers

• Availability of current plan
  → Includes key changes to benefits and cost sharing
  → If current plan not available, two scenarios:
    o If another plan is available through the same insurer: Will be auto-enrolled in new plan and notice will provide information on new plan (will include language on discontinuation of current plan and details on how to pick a different plan)
    o If no plans are available through same insurer: Will lay out discontinuation of current plan and how to pick a new plan (will note that Marketplace may automatically enroll person in different plan through a different insurer)

• Premiums for current or new plan
  → Estimates premium amount taking into account monthly APTC amount a person currently receives (if any)
  → Important! APTC in notice reflects current APTC an enrollee receives, not redetermined APTC → Actual APTC for 2019 may be higher or lower depending on the change in cost of benchmark plans in a person's service area

• Information about other health coverage options
  → Includes how to pick a different plan in the Marketplace

**Note:** If no plan available from current insurer, will be matched with new plan with a new insurer in the Marketplace

- Will receive discontinuation notice from current insurer
- New insurer should send notice with details on new plan
- Marketplace will send cross-issuer notice

**Cross-Issuer Notice**

- If matched with a new plan with a new insurer, will receive an additional Marketplace notice
  - Includes name of new plan and insurer
  - Includes information on next steps, including how to compare other options and how to activate a special enrollment period
Redetermination of APTC

(in Healthcare.gov)
Renewal Process for Healthcare.gov

Eligible to re-enroll with APTC/CSR

Eligible to re-enroll without APTC/CSR

Do nothing: APTC/CSR renewed using updated FPL and benchmark premiums

Do nothing: Auto-enrolled without APTC/CSR

Provide updated info to the Marketplace: APTC/CSR renewed based on updated information from consumer, using new FPL and benchmark premiums
### Eligible for Redetermination of APTC

#### Standard Group:
- Authorized Healthcare.gov to pull tax data related to income and household size
- Available income information shows income within 100% - 350% FPL
- Don’t fall into one of “special groups” that cannot be redetermined

#### Income-Based Outreach Group:
- Authorized Healthcare.gov to pull tax data related to income and household size
- One of the following applies:
  - Available income information shows income above 350% FPL
  - 2017 tax data shows income more than 50% different from 2017 eligibility
  - Available income information shows income under 100% FPL

! *Likely had changes and may not receive correct amount of subsidies in 2019 ➔ Marketplace Open Enrollment Notice will emphasize this and encourage individual to return to the Marketplace*

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**IF NO ACTION TAKEN:** Auto-renewed with redetermined APTC/CSR
### Opt-Out Group:
- Did not authorize Healthcare.gov to pull tax data related to income and household size
  - *Marketplace cannot look up most recent income information to redetermine eligibility*

### Over Income Group:
- 2017 tax information shows income **above** 500% FPL
  - *Likely to be over income for APTC eligibility*

### Failure to Reconcile Group:
- Received APTC in 2017, but **didn’t reconcile APTC** received for that year
  - *Not eligible for APTC until 2017 APTC is reconciled*

### Repeat Passive Group:
- Auto-renewed for past two years, did not return to the marketplace to update eligibility in those years, and no IRS information on income for those years
  - *Available income information cannot be used to redetermine eligibility*

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**IF NO ACTION TAKEN:** Auto-renewed **without** APTC/CSR
**Member of Enrollment Group has Medicare Coverage:**

- If someone is enrolled in both Medicare and Marketplace coverage, insurers will terminate Marketplace coverage for *all* enrollees on December 31, 2018, and coverage will not be renewed for anyone enrolled in that Marketplace plan.
- Any individual who shares a policy with a person enrolled in Medicare will not have coverage renewed for 2019 (even if they are still eligible for enrollment).

  *Individuals who are not enrolled in Medicare should return to the Marketplace and re-enroll in coverage.*

  *If open enrollment has ended, a special enrollment period is available until March 1, 2019 for eligible individuals to re-enroll in coverage (coverage will begin retroactively to January 1 to avoid a gap in coverage).*

**Should receive notices from:**

- **Insurer:** Informing about the termination of coverage and the non-renewal for 2019.
- **Marketplace:** Informing individuals that they might be eligible to re-enroll in coverage during open enrollment or during a special SEP.

**IF NO ACTION TAKEN:** Coverage will not be renewed for 2019.
Redetermination of APTC and CSR

- Information used to redetermine 2019 APTC and CSR:
  - Updated federal poverty guidelines
  - 2019 benchmark plan premium information
  - Most recent income information available adjusted to 2019
    1. 2018 projected income
    2. 2017 tax data
    3. Projected 2017 income (rare)

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Income Adjustment Factor</th>
<th>Rate of Growth from Coverage Year 2018 – 2019</th>
<th>Rate of Growth from Coverage Year 2017 – 2019</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1.0066</td>
<td></td>
<td>1.0219</td>
</tr>
<tr>
<td>2</td>
<td>1.0135</td>
<td></td>
<td>1.0275</td>
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<tr>
<td>3</td>
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<tr>
<td>4</td>
<td>1.0203</td>
<td></td>
<td>1.0329</td>
</tr>
</tbody>
</table>

Note: Adjustment factor is the rate of growth in the federal poverty level for the applicable family size.
What Does It Mean to Adjust Income to 2019?

- Marketplace takes most recent income information and updates it to preserve same poverty line measure for applicable family size.

**For Example**

- Katie was enrolled in 2017, came back during last year’s open enrollment period to update her income information and re-enroll in coverage.
  - Will use 2018 projected income as most recent income to be adjusted.

<table>
<thead>
<tr>
<th>2018 Projected Income</th>
<th>Adjustment Factor</th>
<th>2019 Adjusted Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income</td>
<td>$17,000</td>
<td>x 1.0066</td>
</tr>
<tr>
<td>Corresponding FPL</td>
<td>141%</td>
<td></td>
</tr>
</tbody>
</table>

- Sasha was enrolled in 2017 and auto-renewed for 2018.
  - Will use 2017 tax data as most recent income to be adjusted.

<table>
<thead>
<tr>
<th>2017 Tax Data</th>
<th>Adjustment Factor</th>
<th>2019 Adjusted Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income</td>
<td>$32,000</td>
<td>x 1.0219</td>
</tr>
<tr>
<td>Corresponding FPL</td>
<td>269%</td>
<td></td>
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</tbody>
</table>
Example: Redetermining APTC

Katie’s 2018 Eligibility:
• Household income: $17,000 (141% FPL in 2018)
• APTC for 2018: $3,256 ($271/month)
• Based on benchmark plan costing $3,851 and expected premium contribution of $595 (3.50% of income)

Redetermination of APTC for 2019:
• Household income is adjusted: $17,112 (141% FPL in 2019)
• New benchmark plan for 2019: $4,236 ($353/month)
• Expected premium contribution for 2019: $616 (3.60% of income)
• Auto-redetermined APTC for 2019: $3,620 ($302/month)

REMINDER:
Auto-Enrollment for 2019 Plans

(in Healthcare.gov)
Auto-Enrollment Process

• If no action by December 15, 2018 (the end of open enrollment), a person will be auto-enrolled in a plan for 2019
  → Subsidies will be adjusted in accordance with the redetermination process for APTC and CSR

• Hierarchy to determine plan for auto-enrollment
  → First option: Same plan as previous coverage year
  → Second option: If same plan is not available, new plan with same insurer that is as similar as possible to current plan
  → Third option: If no plans available from same insurer, new plan with different insurer that is as similar as possible to current plan

A person can go back to the Marketplace at any time during open enrollment and pick a different plan
Auto-Enrolled Into Same Plan

If current plan is still available:
• Will be auto-enrolled in same plan as previous year

Note:
- Premiums, benefits and cost sharing may change
- Notice will outline 2019 premium costs and changes to plan (premium amount will take into account any monthly APTC amount a person currently receives, not redetermined APTC)
- Can return to Marketplace until December 15th to pick a different plan → If don’t return by December 15th, will be auto-enrolled in same plan
- Have until December 31st to cancel coverage without incurring any premium cost for 2019 (but will not be able to pick a new plan after December 15th)
Auto-Enrolled Into New Plan

If current plan is not available:
- Will be auto-enrolled in new plan with same insurer

Note:
- Notice will outline premiums, benefits and cost sharing in new plan (premium amount will take into account any monthly APTC amount a person currently receives, not redetermined APTC)
- Can return to Marketplace until December 15th to pick a different plan → If don’t return by December 15th, will be auto-enrolled in new plan
- Have until December 31st to cancel coverage without incurring any premium cost for 2019
- Eligible for a special enrollment period due to discontinuation of previous year’s plan
If current plan is not available and insurer no longer selling plans in the Marketplace:

- Will be matched with a new plan with different insurer

**Note:**

- Will receive a discontinuation notice from current insurer
- Marketplace will send a notice that the Marketplace matched person with different plan with different insurer (under no obligation to enroll in plan)
- Should receive notice from new insurer on new plan and details on paying first month’s premium
- Must pay first month’s premium to effectuate coverage (if no premium paid for January 1, enrollment will not go into effect) → Have until January 1st to pay first month’s premium
- Eligible for a special enrollment period due to discontinuation of previous year’s plan
• Have until December 31st to cancel 2019 coverage without incurring any premium cost for 2019

• Can stop coverage for 2019 so plan will end on December 31, 2018 and won’t be auto-renewed
SEP When Auto-Enrolled in New Plan

• If 2018 plan is discontinued, eligible for a special enrollment period (SEP) based on loss of other qualifying coverage

• Can switch plans up to 60 days BEFORE or 60 days AFTER the discontinuation date of 2018 plan (December 31, 2018)
  → This means people who are auto-enrolled in a new plan (with a new insurer or with the same insurer) can still change plans after January 1, 2019

For more on SEPs, see the Special Enrollment Period Reference Chart: www.healthreformbeyondthebasics.org/sep-reference-chart
Example: Auto-Enrollment

Katie’s plan is no longer available in the Marketplace:
• She receives a notice from her insurer about discontinuation of her plan
• Receives a notice that Marketplace matched her with a new plan with a different insurer

Katie checks her Marketplace account on December 20:
• She has been auto-redetermined for APTC for 2019 (for $302/month)
  → She expects to make more money in 2019 and updates her application (her ATPC eligibility is updated to $184/month)
• She has been matched with a new plan with a new insurer
  → BUT she must pay the first month’s premium to effectuate coverage
  → When she updates her application, the matched plan is shown at the top of her options during plan selection → She likes the plan and pays the first month’s premium: Coverage begins January 1
But what if Katie wants to change plans?

- Because her plan was discontinued, she is eligible for an SEP
  → When she updates her application, she will note that she is losing coverage December 31, 2018

Changing plans after open enrollment ends, but before the new coverage year:

- When she updates her application to change her 2019 income projection, she is able to pick a different plan than the one she is matched with
  → Coverage begins January 1, 2019
Example: Auto-Enrollment

But what if Katie wants to change plans?

• Because her plan was discontinued, she is eligible for an SEP
  → When she updates her application, she will note that she is
     losing coverage December 31, 2018

Changing plans after January 1st:

• If auto-enrolled in a plan:
  → She will have 60 days after the end of her 2018 plan to use the SEP
  → Coverage will be effective the first day of the month following plan selection

• If renewal plan never effectuated:
  → Katie doesn’t pay the first month’s premium for the plan she’s been
     matched with and she is not auto-enrolled in any plan
  → She can still use the SEP to enroll in coverage after January 1 but she may
     have a gap in coverage
Tips for Assisters

- Emphasize the importance of updating information and shopping for plans!
  - In 2018, 80% of people shopping in the Marketplace had access to a plan for under $75 a month after accounting for APTC

- Remind people they only have until December 15th (the end of open enrollment) to change plans
  - Look out for: People eligible for cost-sharing reductions who are auto-enrolled into a non-silver plan; and
  - People who may be eligible for a special enrollment period (including those whose 2018 plans were discontinued)

- Educate consumers who received APTC in past years about the need to file a tax return and reconcile their APTC (refer to tax professionals, if possible)

- Help people more accurately project 2019 income, especially if their circumstances fluctuate
  - Compare 2017 and 2018 projections with actual income to help facilitate more accurate income projections
Resources

• Guidance on Annual Eligibility Redetermination and Re-Enrollment
  → Guidance for Coverage Year 2019 and Beyond (PDF)
  → Guidance for Coverage Year 2018 (PDF)
  → Guidance for Coverage Year 2017 (PDF)

• Notices:
  → Insurer template notices: Coverage renewals or discontinuation
  → Marketplace notices: See “Marketplace Automatic Enrollment Confirmation Messages »
Contact Info

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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