



Health Reform: **Beyond the Basics**

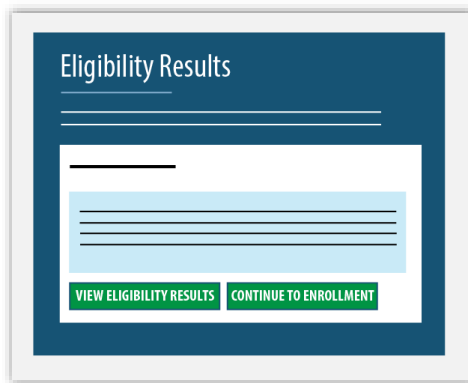
healthreformbeyondthebasics.org

Healthcare.gov Auto-Renewal Process for 2019

Center on Budget and Policy Priorities

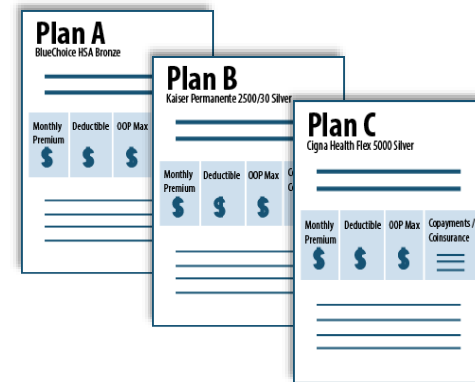
September 27, 2018

Redetermining Eligibility & Amount of Financial Help



vs.

Auto-Enrollment into a Plan



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

→ Process Healthcare.gov uses to assign 2019 plan enrollment

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

Notices from Insurers

- Availability of current plan
 - Includes key changes to benefits and cost sharing
 - **If current plan not available, two scenarios:**
 - **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)
 - **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)



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

Plan B
Kaiser Permanente 2500/50 Silver

Monthly Premium: \$ (green checkmark)
Copayments / Coinsurance: (green checkmark)
Out-of-Pocket Maximum: (upward arrow)

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

Plan B
Kaiser Permanente 2500/50 Silver

Monthly Premium: \$ (red X)
Copayments / Coinsurance: (red X)

Do nothing:
APTC/CSR renewed using updated FPL and benchmark premiums and most recent income information

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

Do nothing:
Auto-enrolled without APTC/CSR

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*



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*



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

- 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)

Household Size	Income Adjustment Factor	
	Rate of Growth from Coverage Year 2018 – 2019	Rate of Growth from Coverage Year 2017 – 2019
1	1.0066	1.0219
2	1.0135	1.0275
3	1.0176	1.0308
4	1.0203	1.0329

- 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

	2018 Projected Income	Adjustment Factor	2019 Adjusted Income
Household Income	\$17,000	x 1.0066	\$17,112
Corresponding FPL	141%		141%

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

	2017 Tax Data	Adjustment Factor	2019 Adjusted Income
Household Income	\$32,000	x 1.0219	\$32,701
Corresponding FPL	269%		269%

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:



Premium Tax Credit



Cost of Benchmark Plan



Expected Premium Contribution

Auto-Enrollment for 2019 Plans

(in Healthcare.gov)

- 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***

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)

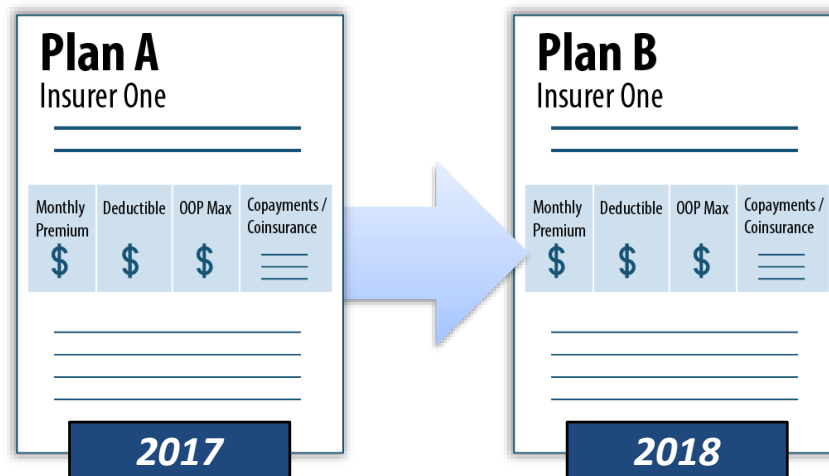


If current plan is not available:

- 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

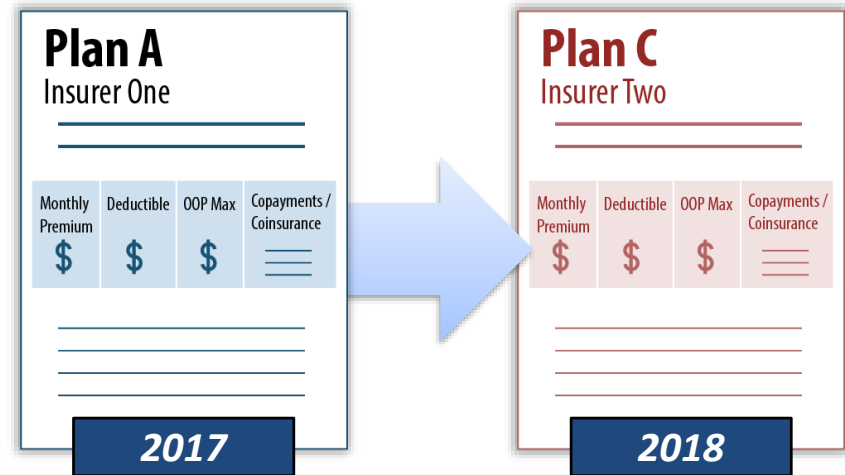


If current plan is not available and insurer no longer selling plans in the Marketplace:

- 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

The screenshot shows a user interface for managing health insurance coverage. On the left is a navigation menu with items: My plans & programs, My plan profile, Eligibility & appeals, Applications details, Report a life change, Communication preferences, Exemptions, and Tax forms. The main content area is titled 'MY COVERAGE' and displays 'My plans & programs' for 'test2 Premiera Blue Cross Preferred Plus Bronze \$250 HSA' for 'Kamari and child' with 'Status: initial Enrollment'. Below this is a 'PAY YOUR FIRST PREMIUM' button. A red box highlights a section titled 'Don't want your current coverage to continue into 2018?' which states: 'You can choose to end all of your Marketplace coverage on 12/31/2017, if you do this, we won't automatically enroll you in coverage next year.' Below this text is a 'STOP COVERAGE FOR 2018' button. A red arrow points from the second bullet point in the text to this button. Below the red box is another section titled 'Need to remove your application?' with text: 'Only remove your application as a last resort. If you're having problems with your application, log out and try again later.' and 'Important: If you enrolled in coverage with this application, we don't recommend you remove it. Removing your application won't terminate your coverage, and means you won't be able to get an electronic 1095-A tax form. [Learn more before removing this application.](#)'

- 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

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

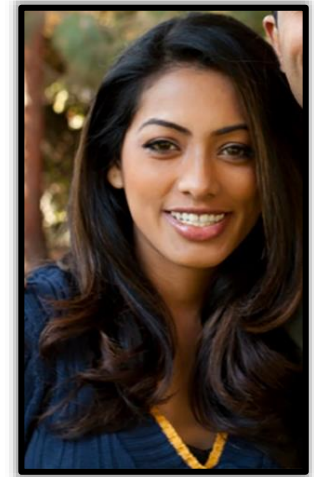


Katie checks her Marketplace account on December 20:

- 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 APTC 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

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

- 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

- 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 »

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For more information and resources, please visit:

www.healthreformbeyondthebasics.org

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