

## FAQ

## Auto-Renewal of Advance PTC on HealthCare.gov

Each open enrollment period, people receiving advance premium tax credits (APTC) to help them pay for health coverage have to renew their eligibility. The following FAQ provides information about how the Federally-Facilitated Marketplace (FFM) will renew eligibility for APTC and will briefly explain how HealthCare.gov will assign people to health plans if they don't come back to the marketplace to select a plan.

### 1 Do enrollees have to return to the marketplace during open enrollment?

For most enrollees in states using HealthCare.gov, there is a process to auto-renew their eligibility for advance premium tax credits (APTC) and auto-enroll them in a health plan if they don't return to the marketplace during open enrollment to update their financial information and pick a health plan.

Even though this process is available, it is highly recommended that all enrollees return to the marketplace to update their eligibility and plan selection. Plans and prices change every year, plus it's important for people to update the marketplace about their income and household circumstances so that they get the right amount of financial help. By updating their information, they can better choose the plan that works best for their budget and health care needs.

### 2 What happens if enrollees do not return to the marketplace to update their eligibility information and select a health plan?

Two actions will take place for enrollees who don't return to the marketplace.

- ▶ **Auto-Renewal of Eligibility for APTC.** However, the marketplace will not be able to automatically redetermine eligibility for APTC for all enrollees. More about this below.
- ▶ **Auto-Enrollment.** People will be automatically enrolled in their current plan if it is still available in the marketplace. If the plan isn't available, HealthCare.gov will enroll people in a new plan that is as similar as possible to their current plan.

### 3 How will HealthCare.gov auto-renew eligibility for APTC?

For enrollees who do not return to the marketplace to update their information, the FFM will recalculate their APTC based on the most recent income information that the FFM has for them using updated benchmark plan premiums and poverty level thresholds.

There are some people, however, who will not have their APTC automatically renewed. They must return to HealthCare.gov and provide updated information to renew their APTC. The FFM will send notices to enrollees telling them whether they must return to HealthCare.gov to continue receiving the APTC.

## How will HealthCare.gov determine whose APTC can be auto-renewed and whose can't?

Before open enrollment, the FFM will check Internal Revenue Service (IRS) data and use information from enrollees' tax returns to determine whether or not their APTC can be auto-renewed if they don't come back to HealthCare.gov and update their information. The notices enrollees receive from the FFM will tell people whether they can be auto-renewed or whether they must return to HealthCare.gov.

Most people's APTC will be auto-renewed. However, HealthCare.gov will notify a small number of enrollees that unless they return to the marketplace to update their information, HealthCare.gov will automatically enroll them into the same or similar plan, but will discontinue their APTC. These include people who fall into either of the following two groups:

- ▷ **Opt-Out Group.** Enrollees are in the opt-out group if they did not authorize the FFM to access tax return information in order to redetermine their APTC eligibility. When consumers apply for APTC, HealthCare.gov asks them to give the FFM consent to obtain their tax data for five years. Enrollees who did not provide this consent must return to HealthCare.gov and provide consent in order to continue receiving APTC.
- ▷ **Repeat Passive Group.** This is a group of people who were automatically re-enrolled in marketplace coverage with APTC in both of the previous years (e.g. for 2023 coverage, people who were automatically re-enrolled with APTC in 2021 and 2022), did not return to the marketplace to update their eligibility in those years, and there is no IRS information on their income for those years.

Individuals who fall into either of these groups will receive a notice saying that unless they take action, they will not receive APTC for the coming year for one of the reasons outlined above. When the enrollee returns to HealthCare.gov, they will need to go through the entire application to provide information the FFM needs to redetermine their APTC eligibility for the coming year. If they don't update their application by December 15, any APTC and cost sharing reductions (CSR) they receive will end on December 31 and their plan will be renewed for the coming year without APTC and CSR.

## Can people be auto-renewed if they did not reconcile their APTC from past years?

The ACA requires people to file a tax return and reconcile the APTC amount they received against the final credit amount for which they were eligible. The IRS provides marketplaces with a list of people who have not filed and reconciled each year. Typically, these people cannot have their APTC auto-renewed. The marketplace will notify people on this list encouraging them to reconcile their APTC and update their application and will discontinue APTC for people who fail to do this.

For the 2021, 2022, and 2023 coverage years, due to IRS processing delays, HealthCare.gov is not acting on the information they have about people who have failed to reconcile APTC; they are not rechecking to verify that people have filed, and they are not discontinuing APTC for people with a "failure to reconcile" status. People must still attest to filing and reconciling on their application or their APTC may be discontinued.

## When will people receive notices and what information will the notices contain?

Enrollees will receive two types of notices before open enrollment begins. The first will be a notice from their insurer, which will include:

- ▷ Information about whether enrollees can be auto-enrolled into the same or a similar plan for the coming year, and if so, any key changes to benefits and cost-sharing between the plan offered in the current year and the version offered for the coming year;
- ▷ Information about the plan's premium, including, for people receiving APTC, an estimated APTC amount based on the prior year's amount;
- ▷ Information about other health coverage options, including how to pick a different plan in the marketplace;
- ▷ Where the consumer can call with questions;
- ▷ An explanation of the requirement to report changes to the marketplace;
- ▷ For people receiving APTCs, an explanation of the APTC reconciliation process; and
- ▷ For people receiving cost-sharing reductions (CSRs) who are being auto-enrolled into a non-silver plan, an explanation that CSRs are only available if enrolled in a silver plan.

HealthCare.gov will send a separate notice containing the following standard information:

- ▷ Description of the annual redetermination and re-enrollment process;
- ▷ Reminder to report changes that might affect eligibility;
- ▷ Key dates, including the last day to update the application before auto-renewal and the last day of open enrollment; and
- ▷ A description of how eligibility for the APTC and CSRs will be redetermined if enrollees don't return to Healthcare.gov to update their information.

All enrollees will receive a notice with this information from the marketplace, but enrollees who fall into the opt out or repeat passive groups described above will receive additional information telling them they need to return to Healthcare.gov and update their eligibility in order to continue receiving the APTC in the coming year.

## How will the FFM recalculate APTC amounts for people who don't update their eligibility?

The FFM will recalculate the APTC by applying the updated federal poverty line (FPL) thresholds and benchmark premiums, and by using the most recent income information that is available to the FFM, adjusted based on the FPL guidelines used for the coming year (e.g. 2022 guidelines for the 2023 coverage year). The FFM has three sources of income it can use to redetermine enrollees' APTC eligibility, based on the following hierarchy (using the 2023 coverage year as an example):

- ▷ **Projected 2022 income, adjusted to 2023.** Enrollees who have projected 2022 income that the FFM can use include people who returned to HealthCare.gov during the last open enrollment period to update their eligibility, newly applied for the APTC in 2022, or reported a change in income in 2022. If an enrollee's projected 2022 income, adjusted to 2023, is below 100 percent FPL (except for certain non-citizens), the FFM will use the

enrollee's 2021 tax return information.

- ▶ **2021 tax return income, adjusted to 2023.** If the FFM doesn't have projected 2022 income, it will use the enrollee's income from their 2021 tax return. Enrollees who may be in this situation include those who received and reconciled a 2021 APTC, but who did not update their eligibility during the last open enrollment period. If an enrollee's 2021 tax return income, adjusted to 2023, is below the poverty line, the FFM will use the enrollee's projected 2021 income.
- ▶ **Projected 2021 income, adjusted to 2023.** If the FFM doesn't have projected 2022 income or 2021 tax return income, it will use enrollees' projected 2021 income to redetermine and recalculate the 2023 APTC.

If the FFM does not have projected 2021 or 2022 income, or 2021 tax return income — and the person was auto-enrolled in APTC in both 2021 and 2022 — the FFM will discontinue APTC for 2023.

8

### How will HealthCare.gov adjust 2021 or 2022 income to 2023?

Regardless of the income source the FFM uses, it will adjust for expected income growth from 2021 or 2022 to 2023. This adjustment is based on the percentage change in the federal poverty level for the enrollee's applicable family size from the year for which annual household income information is used for redetermination to 2023. For example, if the FFM is using 2021 projected income, it will adjust that income to 2023 by applying the rate of growth in the FPL used to determine APTC eligibility in 2021 (which is the 2020 poverty thresholds) to the FPL used to determine eligibility in 2023 (which is the 2022 poverty thresholds). Table 1 lists the expected income growth from 2021 and 2022 to 2023 that the FFM will apply to enrollees' household income, for families of one to four individuals.

<b>Family Size</b>	<b>From Coverage Year 2021 to 2023</b>	<b>From Coverage Year 2022 to 2023</b>
1	1.0650	1.0551
2	1.0621	1.0511
3	1.0603	1.0487
4	1.0592	1.0472

To illustrate, suppose that a single person's income on their 2021 tax return was \$20,000, and this is the income information that the FFM has available to redetermine APTC eligibility in 2023. The percentage change in the poverty guidelines used to determine 2021 and 2023 APTC eligibility is 1.0650 (\$13,590 divided by \$12,760). The FFM would apply this growth rate to the enrollee's 2021 income to get a projected 2023 income of \$21,301.

9

### Will State-Based Marketplaces use the same renewal process?

The renewal process may be different in states that established their own marketplaces, unless the state uses the HealthCare.gov platform for enrollment. State-Based Marketplaces (SBMs) have three options for how to conduct renewals:

- ▶ **Renewal process in original regulation.** SBMs could use the process outlined in 45 C.F.R. §155.335(b) through (m) of the regulations, which require the marketplace to obtain updated information through electronic data sources and use that information to

redetermine people's APTC. SBMs would need to obtain updated income and family size information, provide notice to enrollees indicating the information that will be used to redetermine their eligibility, and give them 30 days to respond and report any changes to the information contained in the notice. If enrollees don't respond, the SBM redetermines eligibility using the information contained in the notice.

- ▷ **Alternative procedure specified by HHS for the applicable benefit year.** For each open enrollment period, HHS may specify an alternative process for conducting renewals that the FFM will use, and SBMs have the option of using the same process. HHS will typically announce this alternative process by issuing guidance in the spring preceding the open enrollment period.
- ▷ **HHS-approved, state-designed alternative.** SBMs can also use their own alternative procedures for conducting renewals, with approval from HHS. SBMs must show that the alternative procedure would facilitate continued enrollment in coverage for eligible enrollees, provide enrollees clear information about the process, and ensure that the alternative process would result in accurate eligibility redeterminations.

Assisters working in SBM states should check with their state about the process for renewing coverage and re-determining advance premium tax credit eligibility.

10

### **How will the auto-enrollment process work for enrollees who do not select a new plan for the coming year?**

If people enrolled in coverage through the FFM don't select a plan for 2023 by December 15, 2022, they will be automatically re-enrolled into the same plan they currently have. If the enrollee's current plan is no longer offered, HealthCare.gov will enroll them in a new plan that is as similar as possible to their 2022 plan, based on a hierarchy established in regulations.

It is possible for people to be auto-enrolled into a plan that has a different type of network (e.g., HMO, PPO, or POS), or a different metal level. It is also possible an individual will be matched with a marketplace plan with a different insurer if the person's current insurer is no longer offering any plans in the marketplace. In that case, enrollment will not be effective until the enrollee pays the first month's premium.

Information about the plan people will be auto-enrolled into will come from their insurer. Enrollees who receive a notice saying that their current plan will no longer be offered should return to HealthCare.gov to look at their options and make sure that they are enrolled in a plan that best meets their needs. HealthCare.gov will send a notice to enrollees in this situation reminding them to return to the marketplace. Enrollees that log into their HealthCare.gov account after December 15th can also see what plan they were auto-enrolled into there.

11

### **Can an enrollee change plans once they are auto-enrolled in a plan?**

Yes, in states with an open enrollment period that extends beyond December 15. (For the 2023 coverage year, this includes all states except Idaho.) People in these states have until the end of the open enrollment period to change plans, but should pay close attention to the coverage effective dates in their state. In HealthCare.gov states, plan selections between December 15 and January 15 (the end of the open enrollment period) have a February 1 effective date.

People who are auto-enrolled into the *same* plan they had in 2022 will not be able to switch

plans after the end of the open enrollment period. If an enrollee wishes to disenroll from the plan without incurring any premium payments in the 2023 coverage year, they will need to terminate their plan by December 31, 2022. Enrollees can cancel a plan by contacting the marketplace.

Those who are auto-enrolled into a *different* plan than the one they had in 2022 will be eligible for a special enrollment period (SEP) beginning January 1, 2023 due to the discontinuation of their 2022 plan. They will have 60 days to switch to another plan if they choose to use the SEP. (For more information on SEPs, please see the [Special Enrollment Period Reference Chart](#).)