

## FAQ

## The Annual Renewal Process on HealthCare.gov

Each open enrollment period, people enrolled in an ACA marketplace plan have to renew their coverage for the coming year. This process has two parts: redetermination of eligibility (if the person is receiving APTC) and re-enrollment in a marketplace plan for the coming year. The following FAQ provides information about how HealthCare.gov redetermines eligibility for APTC and explains how people are assigned to a health plan for the coming year if they don't come back to the marketplace to actively re-enroll.

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**Do enrollees have to return to the marketplace during open enrollment?**

For most enrollees in states using HealthCare.gov, there is a process to automatically redetermine their eligibility for advance premium tax credits (APTC) and re-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 household and income information and actively select a plan. 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 get the most accurate picture of the financial help they qualify for so that they can choose a plan that works for their budget and health care needs.

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**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:

- ▷ **Automatic Redetermination of Eligibility for APTC.** However, the marketplace will not be able to automatically redetermine eligibility for APTC for all enrollees. More about this below.
- ▷ **Automatic Re-enrollment.** People will be automatically re-enrolled in their current plan if it is still available in the marketplace. If the plan isn't available, HealthCare.gov will enroll the person in a new plan that is as similar as possible to their current plan. Starting with renewals for the 2024 plan year, people who would be re-enrolled in a bronze plan but are eligible for a silver plan with cost sharing reductions (CSR) will be automatically re-enrolled in a silver plan (see Question 10 for more details).

### How will HealthCare.gov automatically redetermine eligibility for APTC?

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

There are some people, however, who will not have their eligibility for APTC automatically redetermined. They must return to HealthCare.gov and provide updated information to continue receiving APTC. HealthCare.gov will send notices to enrollees telling them whether they must return to the marketplace and update their information to continue receiving APTC.

### How will HealthCare.gov determine whose APTC can continue automatically and whose can't?

Before open enrollment, HealthCare.gov will check Internal Revenue Service (IRS) data and use information from enrollees' tax returns to determine whether the marketplace has sufficient information to make an automatic redetermination of eligibility for their APTC if they don't return to the marketplace and update their information by December 15. Enrollees will receive a marketplace open enrollment notice from HealthCare.gov that says whether the person's APTC will continue automatically or if the person has to return to HealthCare.gov to update their information in order for their APTC to continue.

Most people's APTC will be automatically redetermined and continue. 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 HealthCare.gov to access tax return information to redetermine their APTC eligibility. When people apply for APTC, HealthCare.gov asks for consent to obtain their tax data for five years. Enrollees who did not provide this consent must return to HealthCare.gov and update their information (or 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 2024 coverage, people who were automatically re-enrolled with APTC in 2022 and 2023), 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 act, 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 marketplace needs to redetermine their APTC eligibility for the coming year. If they don't update their application by December 15, any APTC and CSR they receive will end on December 31, and they will be re-enrolled in their plan for the coming year without APTC and CSR.

## Can people be automatically redetermined eligible for APTC 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 automatically redetermined. 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 did not act on the information they had about people who failed to reconcile APTC; they did not recheck to verify that people filed, and they did not discontinue APTC for people with a “failure to reconcile” status. People are still required to attest to filing and reconciling on their application or their APTC may be discontinued.

In the future, HealthCare.gov will restart this process, but will only determine a person ineligible for APTC if the applicable tax filer did not file and reconcile past APTCs for two consecutive tax years. The IRS is not yet ready to implement the new process, so the process remains paused. CMS will provide enrollees at least three months’ notice before initiating the new process.

## 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 people 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 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 automatic re-enrollment and the last day of open enrollment; and
- ▷ A description of how eligibility for 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 household information in order to continue receiving the APTC in the coming year. People affected by the bronze-to-silver re-enrollment policy (see Question 10 for more details) will also receive a separate notice from HealthCare.gov describing this process.

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## How will HealthCare.gov recalculate APTC amounts for people who don't update their eligibility?

HealthCare.gov will recalculate the APTC amount by applying the updated federal poverty level (FPL) thresholds and benchmark premiums, and by using the most recent income information that is available to the marketplace, adjusted based on the FPL guidelines used for the coming year (e.g. 2023 guidelines for the 2024 coverage year). The marketplace has three sources of income it can use to redetermine enrollees' APTC eligibility, based on the following hierarchy (using the 2024 coverage year as an example):

- ▷ **Projected 2023 income, adjusted to 2024.** Enrollees who have projected 2023 income that the marketplace can use include people who returned to HealthCare.gov during the last open enrollment period to update their eligibility, newly applied for an APTC in 2023, or reported a change in income in 2023. If an enrollee's projected 2023 income, adjusted to 2024, is below 100 percent FPL (except for certain non-citizens), the marketplace will use enrollee's 2022 tax return information.
- ▷ **2022 tax return income, adjusted to 2024.** If the marketplace doesn't have projected 2023 income, it will use the enrollee's income from their 2022 tax return. Enrollees who may be in this situation include those who received and reconciled a 2022 APTC, but who did not update their eligibility during the last open enrollment period. If an enrollee's 2022 tax return income, adjusted to 2024, is below the poverty line, the marketplace will use the enrollee's projected 2022 income.
- ▷ **Projected 2022 income, adjusted to 2024.** If the marketplace doesn't have projected 2023 income or 2022 tax return income, it will use enrollees' projected 2022 income to redetermine and recalculate the 2024 APTC.

If the marketplace does not have projected 2022 or 2023 income, or 2022 tax return income — and the person was automatically re-enrolled in APTC in both 2022 and 2023 — the marketplace will discontinue APTC for 2024 (unless the person returns to HealthCare.gov and updates their information by December 15, 2023).

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## How will HealthCare.gov adjust 2022 or 2023 income to 2024?

Regardless of the income source the marketplace uses, it will adjust for expected income growth from 2022 or 2023 to 2024. 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 2024. For example, if the marketplace is using 2022 projected income, it will adjust that income to 2024 by applying the rate of growth in the FPL used to determine APTC eligibility in 2022 (which is the 2021 poverty thresholds) to the FPL used to determine eligibility in 2024 (which is the 2023 poverty thresholds). Table 1 lists the expected income growth from 2022 and 2023 to 2024 that the

marketplace will apply to enrollees' household income, for families of one to four individuals.

To illustrate, suppose that a single person's income on their 2022 tax return was \$20,000, and this is the income information that the marketplace has available to redetermine APTC eligibility in 2024. The percentage change in the poverty guidelines used to determine 2022 and 2024 APTC eligibility is 1.132 (\$14,580 divided by \$12,880). The

marketplace would apply this growth rate to the enrollee's 2022 income to get a projected 2024 income of \$22,640.

<b>Family Size</b>	<b>From Coverage Year 2022 to 2024</b>	<b>From Coverage Year 2023 to 2024</b>
1	1.132	1.0728
2	1.132	1.077
3	1.1321	1.0795
4	1.1321	1.0811

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

The renewal process may be different in states that operate 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 HealthCare.gov 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.

Assistors working in SBM states should check with their state about the process for re-determining APTC eligibility and re-enrolling in coverage.

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### **How will the automatic reenrollment process work for enrollees who do not select a new plan for the coming year?**

If people enrolled in coverage through HealthCare.gov don't select a plan for 2024 by



December 15, 2023, 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 2023 plan, based on a hierarchy established in regulations.

It is possible for people to be automatically re-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 automatically re-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.

Starting with re-enrollment for 2024, if a person does not take action by December 15, HealthCare.gov will also move a person who is eligible for CSRs but who would otherwise be re-enrolled in a bronze plan into a silver plan if a silver plan is available from the same issuer, with the same product and provider network, and for the same or a lower premium (after APTC) as the bronze plan they would otherwise have been re-enrolled in. CSRs are only available in silver plans; moving people from a bronze plan to a similar silver plan ensures they get the maximum amount of financial assistance they are eligible to receive. Unlike APTC, CSRs do not need to be reconciled at tax time, so this change does not carry a tax liability. People potentially affected by this change will receive a separate notice from HealthCare.gov that explains the change and shows their current plan alongside the silver plan they will be re-enrolled into if they don't take action.

Enrollees can view what plan they were automatically re-enrolled into by logging into their HealthCare.gov account after December 15.

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

Yes, in states with an open enrollment period that extends beyond December 15. (For the 2024 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 automatically re-enrolled into the *same* plan they had in 2023 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 2024 coverage year, they will need to terminate their plan by December 31, 2023. Enrollees can cancel a plan by contacting the marketplace.

People who are automatically re-enrolled into a *different* plan than the one they had in 2023 due to the discontinuation of their 2023 plan will be eligible for a special enrollment period (SEP) beginning January 1, 2024. 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](#).)