

Common Complex Scenarios

Family Circumstances: Eligibility and Household Complications

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Overview

- This resource presents realistic scenarios regularly encountered by agents and brokers: how to assist unmarried couples in assessing their and their dependents' eligibility for health coverage through the Federally-facilitated Marketplaces (FFMs) and enroll in qualified health plans (QHPs).
- This resource shows you how FFM policy guidance applies to the scenarios, and how to help consumers in these situations.
- After reviewing the scenarios, see the “Additional Resources” section for more information on where to find related guidance and more assistance in helping unmarried couples and their dependents.

Common Complex Situations

*Scenario:
Domestic
Partners
Applying for
Health Coverage*



Scenario: Domestic Partners Applying for Health Coverage

Mary and Derek, Both 29-years-old, Domestic Partners

- Mary and Derek have been living together in Florida for the last five years. They aren't married, and they file their taxes separately.
- They have two children: Mia, 5 years old, and Donovan, 2 years old. Derek claims both children as dependents on his tax returns.
- Derek works as a manager at a restaurant and earns \$40,000 annually.
- Mary runs a child care service on her own (she has no employees) and earns \$19,000 annually.

Scenario: Domestic Partners

Applying for Health Coverage (continued)

How should Mary and Derek apply for health coverage? Are they eligible for financial assistance to make health coverage more affordable?

Because Mary and Derek file their taxes separately, they will apply for health coverage separately. They need to submit two applications:

- Application 1: Derek is the application filer
 - List Derek, Mia, and Donovan as applying for coverage
 - List Mary as a non-applicant
- Application 2: Mary is the application filer
 - List Mary as applying for coverage
 - List Derek, Mia, and Donovan as non-applicants

Derek and Mary can contact the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325) if they need help applying for coverage.

Scenario: Domestic Partners

Applying for Health Coverage (continued)

Are Mary and Derek eligible for financial assistance to make health coverage more affordable?

Yes. Based on their incomes and respective household sizes, both Mary and Derek should qualify for advance payments of the premium tax credit (APTC) because, assuming they meet all other eligibility criteria, their incomes are between 100% to 400% of the federal poverty level, and they aren't eligible for Medicaid or the Children's Health Insurance Program (CHIP).

Scenario: Domestic Partners

Applying for Health Coverage (continued)

Are Mary and Derek eligible for financial assistance to make health coverage more affordable?

- On his application, Derek would indicate he plans to file his federal income taxes and claims his two children as tax dependents. He would list his income. He would also be asked for Mary's income, even though she's not applying for coverage (for Medicaid and CHIP for the children).
- In this scenario, Derek would be eligible to receive a tax credit for health insurance coverage for himself, Mia, and Donovan. (In some states, depending on the income, Mia and Donovan may be determined eligible for Medicaid or CHIP and, therefore would not be eligible for tax credits).
- On her application, Mary would indicate she files taxes as a single person and list her income. Mary would be eligible to receive a tax credit for health insurance coverage for herself. Her income is too high to be eligible for Medicaid coverage.

Scenario: Domestic Partners

Applying for Health Coverage (continued)

Helping Mary and Derek enroll in health coverage:

- After they receive their eligibility results, help Mary and Derek compare health plans based on their family's budget and health care needs.
- If Derek, Mia, and Donovan choose to enroll together in a family plan, their health care expenses will count toward the family plan deductible and will be subject to a family out-of-pocket maximum.
- Make sure Mary and Derek are aware that Derek does not have to enroll Mia and Donovan into his plan. He can enroll them into a child-only QHP (if available) and will pay lower monthly premiums; however, the children's plan will have a separate deductible and out-of-pocket maximum from Derek's plan.
- Mary can select the same plan as Derek and the children, but she does not have to. Mary will have her own policy with a separate monthly premium, deductible, and out-of-pocket maximum regardless of whether or not she enrolls in the same plan.

Common Complex Situations

*Unmarried
Couple Applying
for Health
Coverage for
Their Child*



Scenario: Unmarried Couple Applying for Health Coverage for Their Child

Audrey, 23-year-old, Single Mother

- Audrey is a recent college graduate. She works at a physical therapy office in Nevada and earns \$33,000 each year.
- Audrey has an 18-month old son, Finn, whom she claims as her tax dependent. Audrey lives in the same state as Finn's father, Colin.
- As part of their custody agreement, Colin must buy health insurance for Finn.
- Colin doesn't have access to employer-sponsored insurance, so he's planning to enroll both himself and Finn in Marketplace coverage.

Scenario: Unmarried Couple Applying for Health Coverage for Their Child (continued)

Can Colin purchase a Marketplace plan for Finn, even though he doesn't claim his son as his tax dependent?

- Yes. Colin can apply for insurance on Finn's behalf, but will have to pay full cost for his son's coverage.
- Because Colin doesn't live with Finn or claim Finn as his tax dependent, Colin won't be able to receive APTC to help pay for Finn's coverage or apply for other financial assistance.
- Colin will need to apply separately for coverage and financial assistance for himself, because he and Finn are not in the same tax household.
- Colin may be eligible to receive APTC and cost-sharing reductions (CSR) for himself, but he would still need to pay for Finn's coverage at full cost.

Scenario: Unmarried Couple Applying for Health Coverage for Their Child (continued)

Can Audrey purchase a Marketplace plan for Finn? How would this affect Finn's eligibility?

- If Audrey applied for health coverage for Finn, she may be eligible to get APTC to help pay for Finn's coverage (assuming they meet all other eligibility requirements), because Audrey's income qualifies and she claims Finn as her dependent on her tax return.
- Finn may be eligible for Medicaid or CHIP coverage if Audrey's income is within the state's income eligibility threshold and all other eligibility criteria are satisfied.

Scenario: Unmarried Couple Applying for Health Coverage for Their Child (continued)

Procedures to complete the application process for Finn's coverage:

1. Colin would create a Marketplace account at HealthCare.gov to begin the application process for Finn. He would create a new application in the state in which Finn lives. (In this example, Colin and Finn live in the same state.)
2. Colin would select that he does not want help paying for coverage (non-financial assistance).
3. Under the “Household Information” section, Colin should add a family member and enter Finn's name.
4. Colin would then answer questions about Finn.
5. Colin would then enroll Finn in a QHP at full cost and would be responsible for paying the premiums.

(Alternatively, although this is not contemplated by the custody agreement in this example, Audrey could apply for financial assistance for Finn to see if she would qualify to receive help paying for his coverage.)

Scenario: Unmarried Couple Applying for Health Coverage for Their Child (continued)

Procedures to complete the application process for Colin's coverage:

1. Colin would either need to create a separate Marketplace account or call the Marketplace Call Center to apply for coverage for himself.
2. Colin would select that he wants help paying for coverage.
3. Colin would answer questions about himself.
4. Colin would enroll himself in a plan on his own policy, if eligible for a Marketplace plan (separate from Finn).

Scenario: Unmarried Couple Applying for Health Coverage for Their Child (continued)

Comparing and selecting QHPs:

- Since Colin submitted separate applications for himself and Finn, he will select two plans and will have separate policies for Finn and himself. Colin may choose to enroll himself and Finn in the same plan (if available). Since he's paying full cost for Finn's coverage, he may decide to choose a cheaper plan, like a child-only plan, for Finn. He may want to consider which plans include Finn's pediatrician in their network.
- Because Finn has a separate policy from Colin, he'll have a separate premium, yearly deductible, and out-of-pocket costs.
- Although Colin will pay for Finn's monthly premiums, Audrey may have to pay copayments and/or coinsurance when she takes Finn to see a provider or buys medications for him, depending on the out-of-pocket costs of the selected plan and Audrey and Colin's financial arrangements for caring for Finn.

Common Complex Situations



*Additional
Resources*

Additional Resources

- “Assisting Consumers with Complex Situations” webinar slides (presented March 30, 2016) provide guidance on how to assist consumers who:
 - Are part of multi-tax households (i.e., not filing federal income taxes jointly)
 - May have family members enrolling in different QHPs
 - Need guidance on how to allocate APTC and CSR among different QHPs in these situations
- “The Agent and Broker Roadmap to Resources” introduces important FFM and other health coverage topics, provides links to helpful resources on those topics, and contains information that you need to know when helping consumers apply for and enroll in QHPs and other health coverage, including Medicaid and CHIP.
- The Agents and Brokers Resources webpage is CMS’ primary outlet for information for agents and brokers.
- HealthCare.gov offers a wealth of information you can use to help consumers enroll in qualified health plans and manage their health care.