



# IRS Data Recheck of Failure to File and Reconcile 2014 APTC Population: Overview for Agents and Brokers

*A Topical Deep Dive  
for Agents and Brokers*

*June 2, 2016*

*Centers for Medicare & Medicaid  
Services (CMS)  
Center for Consumer Information  
& Insurance Oversight (CCIIO)*



# Disclaimer

*The information provided in this presentation is intended only as a general informal summary of standards for protection of consumer personally identifiable information. It is not intended to take the place of the statutes, regulations, and formal policy guidance that it is based upon. This presentation summarizes current policy and operations as of the date it was presented. Links to certain source documents have been provided for your reference. We encourage audience members to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information about the requirements that apply to them.*

*This document generally is not intended for use in the State-based Marketplaces (SBMs) that do not use HealthCare.gov, but the material applies to you if you are in a state with an SBM that is using HealthCare.gov for eligibility and enrollment. Please review the guidance on our Agents and Brokers Resources webpage (<http://go.cms.gov/CCIIOAB>) and [Marketplace.CMS.gov](http://Marketplace.CMS.gov) to learn more.*



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*Overview for  
Agents and  
Brokers*

# Failure to File and Reconcile (FTR): Refresher

- Department of Health and Human Services regulations specify that a Marketplace may not determine a tax filer eligible for advance payments of the premium tax credit (APTC) if APTC was previously provided on behalf of the tax filer and the tax filer did not comply with the requirement to file a federal income tax return for the year during which APTC was provided and reconcile APTC.
- Consumers who received APTC in 2014 but did not file a 2014 tax return were flagged as “failure to file and reconcile” — or FTR — by the Internal Revenue Service (IRS) when the Marketplace requested updated tax data.
- For the first time, beginning with Open Enrollment 2016, the Federally-facilitated Marketplace (“Marketplace”) discontinued APTC and income-based cost-sharing reductions (CSRs) for 2016 coverage for enrollees flagged as FTR.
- Due to lags in IRS data updates, the Marketplace included a new tax filing-related question starting with 2016 applications that allowed enrollees who received APTC for 2014 to attest, under penalty of perjury and other applicable laws, to having filed a 2014 tax return and reconciled APTC. This attestation allowed enrollees to maintain APTC even if the IRS’ data have not yet reflected that they had filed.

# Failure to File and Reconcile (FTR)

- This presentation provides an overview for agents and brokers on the following:
  - How the Marketplace is verifying that enrollees who attested to having filed their 2014 tax return and reconciled APTC actually did so
  - How the Marketplace is notifying consumers and removing APTC as appropriate
  - How agents and brokers can help and where they can find additional information

# FTR Recheck and Consumer Outreach

- In May 2016, the Marketplaces will conduct a recheck of IRS data to identify 2016 applications of consumers:
  1. Who told the Marketplace that they filed and reconciled 2014 APTC; and
  2. For whom IRS data indicates they received APTC in 2014, but have not filed a 2014 tax return (“recheck population”).
- Following this recheck in May, the Marketplaces will send an FTR warning notice to the household contact for applications for which the IRS still indicates have not filed a 2014 tax return.
  - This warning notice will tell consumers that they must, first, make sure they filed and reconciled 2014 APTC and, if not, file and reconcile APTC immediately or the Marketplace will take action to end their APTC.

# FTR Recheck and Ending APTC

- In August 2016, the Marketplaces will check IRS data again to confirm the tax filing status of those consumers who received the FTR warning notice, and if the IRS indicates the tax filer has still not filed a 2014 tax return, the Marketplaces will terminate APTC and income-based CSRs for the tax household going forward.
- For these consumers whose APTC is terminated, the Marketplaces will continue their enrollment in a plan without APTC or income-based CSRs.
  - They will also receive a new eligibility determination notice.

# FTR Recheck Timeline\*

- **Early May 2016:** Marketplaces recheck IRS data
- **Mid/late May 2016:** Marketplaces send the FTR warning notices to consumers
- **Late August 2016:** Marketplaces will perform a final check of IRS data to confirm filing status of the population that received the FTR warning notice
- **September 2016:** Marketplaces will stop APTC for consumers who still have the FTR flag
- **October 2016:** Consumers whose APTC was stopped, will be re-enrolled in coverage without APTC and CSRs (if applicable)

\*All dates are tentative and subject to change.

# What Agents and Brokers Can Do Now

**Agents and brokers can take steps now when working with enrollees who receive the FTR recheck warning notice.**

- Encourage enrollees who haven't yet filed their 2014 federal income taxes and who received APTC in 2014 to file and reconcile their APTC **as soon as possible**. **Filing in early June will best protect consumers from losing APTC.**
  - Remind enrollees that even if they usually don't have to file an income tax return, if they received APTC, they must file a return for that year.
- Help enrollees who haven't filed their taxes yet understand what steps to take, including helping them access their Forms 1095-A and report any errors.
  - Enrollees can log in to their respective Marketplace accounts to view or download their Form 1095-A (see screenshots in the following slides). **Note: Enrollees will now see Forms 1095-A for the 2014 and 2015 tax years. They will need to select their 2014 application to locate the 2014 form under the "Tax Tools" link on the left-hand navigation bar.**
  - The Marketplace is processing 2014 Form 1095-A correction and reprint requests on an ongoing basis. If an enrollee recently requested a corrected or reprinted Form 1095-A for 2014, he or she should receive a response from the Marketplace within a couple of weeks. Once an enrollee receives his or her corrected Form 1095-A, the enrollee should keep a copy in case the IRS has follow-up questions regarding his or her corrected form.

# What Agents and Brokers Can Do Now (cont.)

**How to help enrollees who are unsure whether they are at risk for losing APTC because they did not file a tax return and reconcile their 2014 APTC.**

- Encourage enrollees to check with all tax filers in their household if a 2014 tax return was filed.
- Encourage the enrollee to have the household's tax filer call the **IRS Call Center** at 1-800-829-1040 or use the Interactive Tax Assistant at: [www.irs.gov/uac/Interactive-Tax-Assistant-\(ITA\)-1](http://www.irs.gov/uac/Interactive-Tax-Assistant-(ITA)-1).
- Note that in order to protect federal tax information, the Marketplace Call Center does not have access to tax filing information and will not be able to tell consumers whether they are at risk for losing APTC because they failed to file and reconcile.

# My Account- 2014 Coverage

New  
Section in  
My Account

The screenshot shows a web interface for a '2014 Application for Individuals & Families (ID: #123456789)'. The top navigation bar includes a back arrow, the application title, and a 'View all applications' link. A left sidebar contains a list of menu items: 'My plans & programs', 'Eligibility & appeals', 'Application details', 'Report a life change', 'Communication preferences', 'Authorized users', 'Exemptions', and 'Tax forms'. The 'Tax forms' item is highlighted with a red box. The main content area features a red-bordered box around the 'Tax forms' heading. Below this heading is a paragraph: 'Here's where you'll find your 1095-A forms. Each one has information you'll need to fill out your federal income tax return after the coverage year.' This is followed by a sub-heading 'Your Form 1095-A for federal income taxes' and another paragraph: 'Here's where you'll find your 1095-A forms. Each one has information you'll need to fill out your federal income tax return after the coverage year. These forms are sent to you in the mail by early February. Forms may be available here a little sooner.' Below this is a section titled 'The 1095-A includes:' with two bullet points: 'Information about everyone in your tax household who was enrolled in a Marketplace plan.' and 'Information about your plan premium that you'll need to fill out your federal income tax return.' The second bullet point is further detailed with 'The amount of any advance payments of the premium tax credit paid to your health plan.' A paragraph follows: 'You may get more than one Form 1095-A, like if your household enrolled in more than one Marketplace health plan or if you reported a life change during the year.' Another paragraph states: 'You'll need information from each form this year when you're ready to file 2014 taxes for your household. Using Form 1095-A, you can:' followed by two bullet points: 'Complete questions about your Marketplace health coverage on your federal tax return.' and 'Confirm the amount of premium tax credit that you're eligible for, based on your actual income for the year.' A final paragraph reads: 'Remember: If you got advance payments of the premium tax credit to help pay for your Marketplace health plan premium, you'll have to file a federal income tax return, even if you usually don't.' At the bottom, there is a link: 'Learn more about the 1095-A and how to use it.'

Previous Coverage Year (2014):  
Instructional text to help the consumer understand what the 1095A is, when it'll be received, what they need to do and how to get help with next steps for the 2014 filing process.

# My Account- Form 1095-A Download

## New Section in My Account

○ Exemptions

**○ Tax forms**

Dynamic: Statement is displayed when one or more corrected 1095A forms are posted to the account.

Dynamic Table: Table is displayed once there is one 1095A available to the consumer.

If no 1095As have been generated and posted to the consumer's application / account then the table is not visible on the Tax Forms section .

Static : Help information below the table on what to do if the information is not correct

Remember: If you got advance payments of the premium tax credit to help pay for your Marketplace health plan premium, you'll have to file a federal income tax return, even if you usually don't.  
[Learn more about the 1095-A and how to use it.](#)

**You have at least one corrected Form 1095-A.** If you have 2 versions of the same form, use the corrected form, which has the most recent date.

**Your 1095-A forms**

Name	Plan Name	Date Posted	Action
John, Jane, Marianne, Billyjoe, Sarahbeth...	Blue Cross and Blue Shield of Illinois Blue Choice Bronze PPO™ 006 <i>Coverage dates</i> 03/31/2014 - 12/31/2014	06/11/2014	<a href="#">Download</a>
Mary	IlliniCare Health Ambetter Essential Care 1 Sinai Health Select Network <i>Coverage dates</i> 01/01/2014 - 03/31/2014	02/18/2014	<a href="#">Download</a>
John, Jane, Marianne	Blue Cross and Blue Shield of Illinois Blue Precision Gold HMO™ 001 <i>Coverage dates</i> 01/01/2014 - 03/31/2014	01/14/2014	<a href="#">Download</a>

[What to do if you think your Form 1095-A is wrong.](#)

# Resources

- *Guidance on Annual Eligibility Redeterminations and Re-enrollments for Marketplace Coverage for 2016:*  
[www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/annual-redeterminations-for-coverage-42215.pdf](http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/annual-redeterminations-for-coverage-42215.pdf)
- *Guidance on Federal Standard Notices of Product Discontinuation and Renewal in Connection with the Open Enrollment Period for the 2016 Coverage Year:* [www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Guidance-on-Notices-of-Product-Discontinuation-and-Renewal-for-the-2016-Coverage-Year.pdf](http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Guidance-on-Notices-of-Product-Discontinuation-and-Renewal-for-the-2016-Coverage-Year.pdf)
- *IRS, Understanding Your Letter 5591:*  
[www.irs.gov/Individuals/Understanding-Your-Letter-5591](http://www.irs.gov/Individuals/Understanding-Your-Letter-5591)
- *IRS, Letter with preliminary results from the 2015 filing season related to Affordable Care Act provisions -* [www.irs.gov/pub/irs-utl/CommissionerLetterlwithcharts.pdf](http://www.irs.gov/pub/irs-utl/CommissionerLetterlwithcharts.pdf)



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*Agent and  
Broker  
Resources*

# Resources Available to Agents and Brokers

- CMS makes a wide variety of resources available online including the Agents and Brokers Resources webpage is the primary outlet for CMS information for agents and brokers.
- [HealthCare.gov](http://HealthCare.gov) offers a wealth of information you can use to help consumers enroll in qualified health plans and manage their health care.
- CMS uses emails to provide agents and brokers up-to-the-minute information on time-sensitive issues, and on policy and process updates. You can establish an account at the [CMS Enterprise Portal](#) to receive emails by selecting the “Get Email Updates” link in the right panel of the webpage.
- CMS publishes the “News for Agents and Brokers” newsletter on a monthly basis.
- CMS also releases current news and updates via its Twitter handles: [@CMSGov](https://twitter.com/CMSGov) and [@HealthCareGov](https://twitter.com/HealthCareGov).



# Questions?

For questions about agent/broker participation in the FFM:  
[FFMProducer-AssisterHelpDesk@cms.hhs.gov](mailto:FFMProducer-AssisterHelpDesk@cms.hhs.gov)

For questions on the Marketplace Learning Management System (MLMS):  
[MLMSHelpDesk@CMS.HHS.gov](mailto:MLMSHelpDesk@CMS.HHS.gov)

For questions when working with consumers applying and enrolling in QHPs:  
1-800-318-2596 (TTY: 1-855-889-4325) available 7 days a week, 24 hours a day

For questions unrelated to application and enrollment:  
1-855-CMS-1515 (855-267-1515) and select option “1”

For questions about the SHOP Marketplace:  
1-800-706-7893 (TTY: 711) available M-F 9:00 AM-7:00 PM ET

For questions regarding a CMS-approved vendor’s training, contact the respective vendor’s help desk. Contact information for these vendors can be found on the Agents and Brokers Resources webpage at: <http://go.cms.gov/CCIIOAB>

For questions/comments about web-broker participation in the FFM: [WebBroker@cms.hhs.gov](mailto:WebBroker@cms.hhs.gov)

# Agent and Broker Resources

## Definition of Acronyms

Acronym	Definition
APTC	Advance Payments of the Premium Tax Credit
CMS	Centers for Medicare & Medicaid Services
CSRs	Cost-sharing Reductions
FFM	Federally-facilitated Marketplace
FTR	Failure to File and Reconcile
IRS	Internal Revenue Service