



June 2017

Consumer Action Needed - Initial Warning Notices Sent to Consumers Who May Be Enrolled in Marketplace Coverage with APTC/CSRs and Medicaid or CHIP (also called Medicaid/CHIP Periodic Data Matching)

Key Takeaway: Consumers determined eligible for minimum essential coverage (MEC)[1] Medicaid or CHIP are not eligible for a Marketplace plan with advance payments of the premium tax credit (APTC) and/or income-based cost-sharing reductions (CSRs). The Marketplace has identified consumers who may be dually-enrolled in a Marketplace plan receiving APTC/CSRs and in MEC Medicaid/CHIP and has sent them notification of their dually-enrolled status. This process is called Medicaid/CHIP Periodic Data Matching (PDM). This summer, the Marketplace will end APTC/CSRs for dually-enrolled consumers who do not take action in response to the Medicaid/CHIP PDM initial warning notice; these consumers will remain enrolled in a Marketplace plan at full cost. Assistors can help affected consumers understand the notice(s) and complete the necessary next steps.

Overview

Consumers who are determined eligible for or are enrolled in MEC Medicaid or CHIP are ineligible for APTC and CSRs to help pay for the cost of their Federally-Facilitated Marketplace (Marketplace)[2] plan premium and covered services.[3], [4]

Medicaid/CHIP PDM is the process the Marketplace uses to identify, notify, and reduce the number of consumers who are enrolled in Marketplace coverage with APTC/CSRs and Medicaid or CHIP (i.e. “dually-enrolled” consumers).

This month, the Marketplace sent an initial warning notice to the household contact for dually-enrolled[5] consumers, stating that if they do not take action by the date in the notice, the Marketplace will end any APTC/CSRs being paid on behalf of affected consumers, and those consumers’ Marketplace coverage will continue without financial help. [6]

The notice tells the household contact (and provides instructions) to do one of the following by a specified date:

- end affected consumers’ Marketplace coverage with APTC/CSRs if they are enrolled in Medicaid or CHIP; or
- update their Marketplace application to tell the Marketplace that affected consumers are not enrolled in Medicaid/CHIP.

In Summer 2017, at least 30 days following the initial notice, a final notice will be sent to the household contact for applications with affected consumers who did not respond to the initial warning notice by the specified date. This notice will let consumers know that they are still enrolled in a Marketplace plan but will no longer receive financial help.

For anyone else on the application who is still enrolled in a Marketplace plan, their coverage will continue and eligibility for APTC/CSRs, if applicable, will be redetermined. Dually-enrolled

consumers who do not want to pay full cost for their share of the Marketplace plan premium and covered services should end their Marketplace coverage immediately. The final notice includes instructions for next steps, such as ending Marketplace coverage, confirming whether or not someone is enrolled in Medicaid/CHIP, and appealing the Marketplace's decision; it also includes the date that the changes to financial assistance become effective. The Marketplace will also send an updated Eligibility Determination Notice (EDN).

Q&A: How to help consumers who receive the notice(s)

Q1: When and how are these notices being sent to consumers?

A1: The Marketplace sent initial warning notices in June 2017 to the household contact for applications with one or more dually-enrolled consumers. In Summer 2017, the Marketplace will send a final notice to the household contact for applications with consumers who did not take action by the date in the initial warning notice. The Marketplace will also send an updated EDN for all consumers in the household. All notices are mailed to the household contact and/or posted to their Marketplace accounts, depending on what they selected as their communication preference.

Q2: How will consumers identify the Medicaid/CHIP PDM notices, and what do the notices say?

A2: The subject of the initial warning notice reads "Warning: Members of your household may lose financial help for their Marketplace coverage." The notice lists the dually-enrolled consumers, and provides instructions to either end their Marketplace coverage with APTC/CSRs, or update their Marketplace application to tell the Marketplace that they're not enrolled in Medicaid or CHIP. The notice also provides instructions for consumers who want more information about Medicaid or CHIP, who aren't sure if their Medicaid or CHIP coverage qualifies as MEC, or who aren't sure whether they're enrolled in or have been determined eligible for Medicaid or CHIP.

The subject of the final notice reads "IMPORTANT: Members of your household are still enrolled in a Marketplace plan but will no longer get financial help." The notice lists the dually-enrolled consumers who did not take action by the date in the initial warning notice, tells them the date that Marketplace coverage without financial assistance becomes effective, and alerts the impacted consumers that they should end Marketplace coverage immediately if they don't want to pay full cost for their share of the Marketplace plan premium and covered services. The notice also provides instructions for consumers who want more information about Medicaid or CHIP, who aren't sure if their Medicaid or CHIP coverage qualifies as MEC, OR who aren't sure whether they're enrolled in or eligible for Medicaid or CHIP, as well as information on how to submit an appeal to the Marketplace if a consumer believes his or her financial assistance was ended incorrectly.

Copies of both notices will be available in English and Spanish.

Q3: As an assister, why might consumers contact me, and how can I help them?

A3: Consumers who receive either/both of the Medicaid/CHIP PDM notices may contact assisters: (a) for help understanding the notice(s); (b) for help ending Marketplace coverage with APTC/CSRs; (c) for help updating their Marketplace application to tell the Marketplace they're

not enrolled in Medicaid/CHIP; (d) if they don't think they're enrolled in Medicaid or CHIP; (e) if they aren't sure if they've been determined eligible for Medicaid or CHIP, (f) if they aren't sure if they're enrolled in Medicaid or CHIP; or (g) if they want more information about whether their Medicaid or CHIP coverage qualifies as MEC. Here are some examples of the ways that assisters can help consumers who contact them:

Help consumers understand the notice(s). Explain that the notice has been sent to them because the Marketplace has identified them as being enrolled in Marketplace coverage with APTC/CSRs and Medicaid or CHIP. This is important because consumers who've been determined eligible for Medicaid or CHIP are not eligible for a Marketplace plan with APTC/CSRs. Consumers who receive the notices should take immediate action.

Encourage consumers who have been determined eligible for or are enrolled in Medicaid or CHIP to take immediate action to end their Marketplace coverage with APTC/CSRs. Explain the financial impact of not ending Marketplace coverage.

- See these instructions on HealthCare.gov to help a consumer end Marketplace coverage when he or she has Medicaid or CHIP.
 - <https://www.healthcare.gov/help/end-marketplace-plan/>
- Medicaid/CHIP PDM User Interface Guide
 - www.healthcare.gov/downloads/marketplace-medicaid-chip-guide.pdf
 - Help consumers who aren't enrolled in Medicaid or CHIP to update their Marketplace application accordingly.
- Medicaid/CHIP PDM User Interface Guide
 - www.healthcare.gov/downloads/marketplace-medicaid-chip-guide.pdf

Inform consumers who don't think they're enrolled in Medicaid or CHIP, who aren't sure if their Medicaid or CHIP benefits qualify as MEC, or if they aren't sure if they've been determined eligible for or if they're enrolled in Medicaid or CHIP, that they should contact their state Medicaid or CHIP agency to confirm their enrollment status (instructions for doing so are in the notices). If the state agency confirms that the consumer is not eligible for or enrolled in MEC Medicaid or CHIP coverage, he or she should update his or her Marketplace application to tell the Marketplace that he or she is not enrolled in Medicaid or CHIP. However, if the state agency confirms that the consumer is eligible for or enrolled in MEC Medicaid or CHIP coverage, the consumer should end his or her Marketplace coverage with APTC/CSRs immediately (refer to the Medicaid/CHIP PDM User Interface Guide, above, for more information).

Advise consumers who want more information about Medicaid or CHIP to contact their state Medicaid or CHIP agency.

Q4: What if a consumer is enrolled in Medicaid or CHIP that counts as qualifying coverage and Marketplace coverage with APTC/CSRs, but believes they are actually eligible to remain enrolled in Marketplace coverage with APTC/CSRs?

A4: A consumer who's enrolled in Marketplace coverage with APTC/CSRs and Medicaid or CHIP that counts as qualifying coverage may believe they are eligible to remain enrolled in Marketplace coverage with APTC/CSRs if they experienced a change in household or income that makes them no longer eligible for Medicaid/CHIP that counts as qualifying coverage. The consumer should contact the state Medicaid/CHIP agency to inform them of these circumstances.

If the state Medicaid or CHIP agency informs the consumer that they are no longer eligible for Medicaid or CHIP that counts as qualifying coverage, the consumer should update their Marketplace application to state that they are not enrolled in Medicaid or CHIP that counts as qualifying coverage; they can remain in their Marketplace coverage with APTC/CSRs, if otherwise eligible.

Q5: How soon after the final notice is sent will the Marketplace end APTC/CSRs on behalf of affected consumers?

A5: The Medicaid/CHIP PDM final notice will include the date on which changes to financial assistance will become effective for the household.

For more information, please see this FAQ document for assisters:

[1] Most Medicaid is considered qualifying health coverage (also known as minimum essential coverage, or MEC). Some forms of Medicaid cover limited benefits (like Medicaid that only covers emergency care, family planning or pregnancy-related services) and aren't considered MEC. (For more information on which Medicaid programs are considered MEC, visit [HealthCare.gov/medicaid-limited-benefits/](https://www.healthcare.gov/medicaid-limited-benefits/)).

[2] References to the "Marketplace" throughout refer to the Federally-Facilitated Marketplace and State-Based Marketplaces using the federal eligibility and enrollment platform.

[3] Generally, a consumer who is eligible for income-based CSRs will also be eligible for APTC. However, not all consumers who are eligible for APTC will be eligible for income-based CSRs.

[4] In accordance with recent guidance from the Internal Revenue Service (IRS), if a Marketplace makes a determination or assessment that an individual is ineligible for Medicaid or CHIP and eligible for APTC when the individual enrolls in Marketplace coverage, the individual is treated as not eligible for Medicaid or CHIP for purposes of the premium tax credit while they are enrolled in Marketplace coverage for that year.

For more information, visit: https://www.irs.gov/PUP/taxpros/best-practices_resolving_1095_conflicts.pdf.

[5] Due to technical limitations, dually-enrolled consumers in the following Marketplace states will not receive notices in this round of Medicaid/CHIP PDM: Arkansas, Georgia and Ohio. Consumers in these states will not be affected by this round of Medicaid/CHIP PDM.

[6] If a consumer still wants a Marketplace plan after having been determined eligible for MEC Medicaid or CHIP, he or she will have to pay full price for his or her share of the Marketplace plan premium and covered services, without APTC or income-based CSRs, if otherwise eligible.