



# Stop Advanced Payments of Premium Tax Credits (APTC) for Periodic Data Matching (PDM) and Failure to Reconcile (FTR)



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*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 technical legal standards. 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), but some of the material in it might be relevant 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/CCIOAB>) and [Marketplace.CMS.gov](http://Marketplace.CMS.gov) to learn more.*

## Stop Advanced Payments of Premium Tax Credits (APTC) for Periodic Data Matching (PDM) and Failure to Reconcile (FTR)



*Medicaid/Children's Health Insurance Program (CHIP) Periodic Data Matching (Medicaid/CHIP PDM): Final Notices*

# Medicaid/CHIP PDM: Final Notices

This presentation will cover:

- A refresher on what's new for Medicaid/CHIP PDM
- How the Medicaid/CHIP PDM final notice affects consumers
- How agents and brokers can help consumers who receive the final notice
- Where agents and brokers can find additional resources

# Medicaid/CHIP PDM: Background

- If consumers have been determined eligible for or are enrolled in minimum essential coverage (MEC)\* Medicaid or CHIP, they are NOT eligible to receive APTC or income-based cost-sharing reductions (CSR) to help pay for a Marketplace plan premium and covered services.\*\*
- Marketplaces **must**:
  - Periodically examine available data sources to determine whether consumers who are enrolled in Marketplace coverage with APTC or CSR have been determined eligible for Medicaid or CHIP (45 CFR 155.330(d))\*\*\*
  - Notify these consumers and, if the consumer doesn't respond to the notice, end APTC/CSR (45 CFR 155.330(e))
- Medicaid/CHIP PDM identifies consumers enrolled in BOTH Marketplace coverage with APTC or income-based CSR AND MEC Medicaid or CHIP.

*\*Most Medicaid or CHIP is considered MEC; some forms of Medicaid cover limited benefits (like Medicaid that only covers emergency care, family planning, or pregnancy-related services) and are not considered MEC.*

*\*\*Note: A consumer who is eligible for income-based CSR will also be eligible for APTC. However, not all consumers who are eligible for APTC will be eligible for income-based CSR; income-based CSR are only available to consumers with household incomes between 100% and 250% of the federal poverty level (FPL), whereas consumers with household incomes between 100% and 400% of FPL may be eligible for APTC. 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 cost for his or her share of the Marketplace plan premium and covered services, if otherwise eligible.*

*\*\*\*Current functionality checks whether a consumer enrolled in Marketplace coverage with APTC/CSR is enrolled in Medicaid or CHIP. References to the Marketplace refer throughout to the Federally-facilitated Marketplaces (including State Partnership Marketplaces) and State-based Marketplaces using the federal platform.*

# Medicaid/CHIP PDM: New Functionality

- In this round of Medicaid/CHIP PDM, the Marketplace is ending APTC/CSR for consumers\* found to be enrolled in Marketplace coverage with APTC/CSR *and* MEC Medicaid or CHIP, who did not respond by the date specified in an initial warning notice.
- In August 2016, the household contact for dually-enrolled consumers was sent an **initial warning notice**, requesting that they take action by the date listed in the notice to end Marketplace coverage with APTC/CSR, or update their application to tell the Marketplace that they are not enrolled in Medicaid or CHIP.
- This month, a **final notice** is being sent to the household contact for consumers who did not respond by the date specified in the initial warning notice, to inform affected consumers that the Marketplace has ended any APTC/CSR being paid on their behalf.
  - Their Marketplace coverage will continue without financial help, and eligibility for APTC/CSR has been redetermined for anyone else on the Marketplace plan, if applicable.
  - The final notice provides the date that these changes become effective. An updated Eligibility Determination Notice (EDN) has also been sent for all consumers in the household.
- All notices are mailed/posted to consumers' online Marketplace accounts, depending on what the consumer selected as his or her communication preference.

*\*Due to technical limitations, dually-enrolled consumers in the following Marketplace states will not receive notices in the summer 2016 round of Medicaid/CHIP PDM: Georgia, New Hampshire, New Jersey, and Wyoming. Consumers in these states will not be affected by this round of Medicaid/CHIP PDM.*

# Medicaid/CHIP PDM: Final Notice

- This month, the Marketplace is sending a **final notice** to the household contact for consumers who did not take action by the date in the initial warning notice, to inform him or her that the Marketplace has ended financial help being paid on the consumer's behalf, alert the household contact of the date on which Marketplace coverage without financial assistance will become effective, and provide instructions for next steps, such as ending Marketplace coverage, confirming whether or not the consumer is enrolled in Medicaid/CHIP, and appealing the Marketplace's decision.
- The dually-enrolled consumers will remain enrolled in Marketplace coverage at full cost.

**IMPORTANT:** If consumers do not want to pay full cost for their share of the Marketplace plan premium and covered services, they will need to end their Marketplace coverage **immediately**.

- For any other household members on the application who were not found to be dually-enrolled, Marketplace coverage will continue. The Marketplace has redetermined their eligibility for APTC/CSR, if applicable.
- The Marketplace is also sending an updated EDN to inform the household of the change in financial help.

# Medicaid/CHIP PDM: Final Notice Sample

August 16, 2016

Application date: December 5, 2015

Application ID: 123456789

Dear Mary:

**IMPORTANT: People in your household are still enrolled in a Marketplace plan but will no longer receive financial help for their coverage.**

You're getting this notice because the people listed below will no longer get advance payments of the premium tax credit and income-based cost-sharing reductions, if applicable, to help pay for their coverage through a Marketplace health plan. They will still have a Marketplace health plan, but financial help will not be paid for their share of the Marketplace plan premium.

- John Doe
- Jane Doe
- Jimmy Doe

This change will be effective on October 1, 2016. **If you don't want to pay full cost for their share of the Marketplace plan premium and covered services, you'll need to end their coverage immediately. See "Next steps" below.**

For anyone on the Marketplace plan who isn't listed above, their Marketplace plan will continue and their eligibility for advance payments of the premium tax credit and cost-sharing reductions, if applicable, is redetermined. Your tax household is eligible for a tax credit of \$0 each month, which is \$0 for the year. Contact your plan to find out your share of the total premium amount, after this tax credit.



# What Agents and Brokers Should Know: How to Help

Consumers who receive the Medicaid/CHIP PDM final notice may contact agents and brokers:

- For help understanding the notice
- For help ending Marketplace coverage
  - See the “Other Resources” slide for instructions on ending Marketplace coverage when a consumer gets Medicaid or CHIP.
- If they do not think they are enrolled in Medicaid or CHIP, are not sure they have been determined eligible for or they are enrolled in Medicaid or CHIP, OR are not sure if their Medicaid/CHIP qualifies as MEC
  - Consumers may wish to contact their state Medicaid/CHIP agency to confirm their eligibility/enrollment status (instructions are in the notice); consumers can then take action based on their Medicaid/CHIP eligibility/enrollment status (e.g., ending Marketplace coverage; appealing the Marketplace’s decision).
- If they disagree with the Marketplace’s decision
  - Information about appeals is in the notice.

# Medicaid/CHIP PDM: Estimated Timeline\*

- **Early August 2016:** Initial warning notices sent to consumers who may be dually-enrolled, as identified through Medicaid/CHIP PDM.
- **Early September 2016:** Marketplace ends APTC/CSR for consumers who did not take action by the date specified in the initial warning notice; final notices sent to affected consumers to inform them of the change in their financial assistance. Updated EDN also sent to these households.
- **October 1, 2016:** Marketplace coverage without financial assistance becomes effective for affected consumers.

*\*All dates subject to change*

# Other Resources

- Sample Initial Warning Notice:
  - English: <https://marketplace.cms.gov/applications-and-forms/pdm-initial-warning.pdf>
  - Spanish: <https://marketplace.cms.gov/applications-and-forms/pdm-initial-warning-spanish.PDF>
- Sample Final Notice:
  - English: <https://marketplace.cms.gov/applications-and-forms/pdm-ending-financial-help.pdf>
  - Spanish: <https://marketplace.cms.gov/applications-and-forms/pdm-ending-financial-help-spanish.pdf>
- HealthCare.gov instructions on ending Marketplace coverage when a consumer gets Medicaid or CHIP: [www.healthcare.gov/medicaid-chip/cancelling-marketplace-plan/](http://www.healthcare.gov/medicaid-chip/cancelling-marketplace-plan/)
- HealthCare.gov general instructions on ending Marketplace coverage: [www.healthcare.gov/reporting-changes/cancel-plan/](http://www.healthcare.gov/reporting-changes/cancel-plan/)
- List of Medicaid programs that are not considered MEC: [www.healthcare.gov/medicaid-limited-benefits/](http://www.healthcare.gov/medicaid-limited-benefits/)

# Stop Advanced Payments of Premium Tax Credits (APTC) for Periodic Data Matching (PDM) and Failure to Reconcile (FTR)



***FTR***  
***2014 APTC:***  
***Ending APTC***

# Overview

- What's new with FTR?
- Background on FTR
- How agents and brokers can help consumers
- Resources

# FTR: What's New?

- The Marketplace sent notices in May 2016 to consumers who received APTC in 2014, warning them that if their tax filers do not file a 2014 federal income tax return, they risk losing APTC.
- In early September 2016, those consumers who, according to Internal Revenue Service (IRS) data, have not filed a 2014 tax return will receive an updated EDN alerting them that they are ineligible for APTC.
- Effective October 1, consumers who have not filed a 2014 tax return will lose APTC and income-based CSR, but will remain enrolled in their Marketplace plan without financial assistance.

# FTR: Background

- For coverage year 2016, the Federally-facilitated Marketplace (“Marketplace”) **began discontinuing APTC/CSR for those enrollees who received APTC in 2014, but did not comply with the requirement to file an income tax return and reconcile APTC.**
- According to Marketplace regulations, Marketplaces must discontinue APTC and CSR for tax filers who received APTC, but did not comply with the requirement to file an income tax return and-reconcile APTC for 2014 (155.305(f)(4)).

# FTR: Attestation Question


**Starting November 1, 2015, the Marketplace application included a new tax filing-related question.**

**This question allowed enrollees who received APTC for 2014 to attest, under penalty of perjury, to having filed a 2014 tax return and reconciled APTC.**

- After filing and reconciling 2014 APTC, attesting to having filed a tax return on the application allowed the enrollee to maintain eligibility for APTC, even if IRS data had not yet been updated.
- Enrollees who filed a 2014 tax return and reconciled APTC must have attested to having filed and reconciled on the application to maintain APTC eligibility for 2016 coverage if IRS data indicated otherwise.



# FTR: Attestation Question

 Alabama Apply Get Results Get Coverage HELP

Application ID: 118305670

- ✓ GET STARTED
- ✓ FAMILY & HOUSEHOLD
- ✓ INCOME
- ⬇ ADDITIONAL INFORMATION

1 John Carson

2 Other questions

- REVIEW & SIGN

**Did your household file a 2014 tax return and reconcile any premium tax credit you used?** *Optional*

Yes, 2014 premium tax credits were reconciled

Check the box above only if **all** of these apply to you:

- You used [advance payments of premium tax credits](#) (APTC) in 2014 to help lower your costs for Marketplace coverage.
- The tax filer for your household filed a federal income tax return for 2014.
- The tax return filed compared the amount of APTC used in 2014 to the rest of the tax return information.

If all of these **don't** apply to you, select "SAVE & CONTINUE" without checking the box above.

[Learn more about tax filing](#)

**SAVE & CONTINUE**

# FTR: Recheck Timeline 2016

- **May:** The Marketplace conducted a recheck of IRS data to identify 2016 applications of enrollees:
  - 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”).

The Marketplace sent a **warning notice** to these consumers letting them know that if they do not file and reconcile APTC immediately, the Marketplace would take action to end their APTC.
- **September:** The Marketplace will check IRS data again to confirm the tax filing status of those consumers who received the warning notice in May. If the IRS indicates the tax filer has still not filed a 2014 tax return, the Marketplace will end APTC and income-based CSR, effective October 1. Affected consumers will receive an updated EDN at that time.

# NEW: Ending APTC and the Updated EDN

- Following the final check of IRS data in September, those consumers who, according to IRS data, have not filed a 2014 tax return will receive an updated EDN alerting them that they are ineligible for APTC.
- The EDN will state that the enrollees are ineligible for APTC and income-based CSR, but will have a combination of reasons for the ineligibility to protect the federal tax information.

## Why don't I qualify for other programs?

You're not eligible for a tax credit and income-based cost-sharing reductions (lower copayments, coinsurance and deductibles) for coverage through the Marketplace. This is because we're missing information about your taxes. This could be for one of the following reasons:

- You told us you don't plan to file a tax return.
- You're married and you told us you'll file taxes separately from your spouse.
- Advance payments of the premium tax credit were made to your health insurance company to reduce your premium costs in a prior year and we can't tell if a tax return was filed for that year.

# Sample View of Account Before APTC Is Ended

1-877-336-3915

<http://healthinsurance.aetna.com/>

Members:	Start date:	End date:	Action:
Susan Griffith	07/01/2016	12/31/2016	<a href="#">REMOVE</a>

Coverage record

Coverage dates	Premium	<a href="#">Premium tax credit</a>	You pay	Members
07/01/2016 - 12/31/2016	\$271.85	\$241.00	\$30.85	Susan

You can view the personal information, like your name and address, that we sent to your plan. [VIEW MY PLAN PROFILE](#)

You can only change plans during Open Enrollment for 2016 or if you're eligible for a Special Enrollment [CHANGE PLANS](#)

# Sample View of Account After APTC Is Ended

2016 application for Individuals & Families (ID#: 1431199) View all applications

**Aetna Health Inc. (a PA corp.)**  
Aetna Health Inc. (a PA corp.)  
Blue Bell, PA 19422-1904  
1-877-336-3915  
<http://healthinsurance.aetna.com/>

Base premium	<b>\$271.85/mo.</b>
You pay:	<b>\$271.85/mo.</b>

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Members:	Start date:	End date:	Action:
Susan Griffith	10/01/2016	12/31/2016	<b>REMOVE</b>

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Coverage record

Coverage dates	Premium	<a href="#">Premium tax credit</a>	You pay	Members
10/01/2016 - 12/31/2016	\$271.85	\$0.00	\$271.85	Susan

# NEW: What if the Consumer Disagrees with the Marketplace's Determination to Stop APTC?

## **Enrollees whose APTC is discontinued have the right to an appeal.**

- After an enrollee receives an updated EDN, he or she may contact the Marketplace Appeals Center (MAC) to appeal the Marketplace's eligibility determination. **The enrollee may request to receive APTC and CSR while the appeal is pending.**
- If the tax filer wishes to receive APTC and CSR while the appeal is pending, the MAC will request that the enrollee's issuer restore APTC/CSR back to the date the Marketplace ended the consumer's APTC/CSR.
- In adjudicating the appeal, the MAC will request that the appellant/tax filer submit a federal tax return transcript as documentary proof of his or her tax filing. This transcript can be obtained at no cost from the IRS.

# How Can Agents and Brokers Help Consumers

- Remind enrollees that even if they usually do not have to file a federal income tax return, if they received APTC, they **must** file a tax return for that year.
- Encourage enrollees whose tax filer has filed a 2014 tax return and believe their APTC was terminated incorrectly to contact the MAC to contest this eligibility determination.
- Because information regarding tax filing is protected federal tax information, the Marketplace Call Center will not be able to let a consumer know whether they lost APTC and CSR because their tax filer did not file a 2014 tax return.

# Resources

Information on how to file an appeal:

- [www.healthcare.gov/marketplace-appeals/appeal-forms/](http://www.healthcare.gov/marketplace-appeals/appeal-forms/)
- You can fax your appeal request to a secure fax line: 1-877-369-0129
- Or you can mail it to:  
Health Insurance Marketplace  
Attn: Appeals  
465 Industrial Blvd.  
London, KY 40750-0061

Sample EDN:

- <https://marketplace.cms.gov/applications-and-forms/notices.html>

Sample FTR warning notice sent in May:

- <https://marketplace.cms.gov/applications-and-forms/ftr-recheck-warning-notice.pdf>



# Stop Advanced Payments of Premium Tax Credits (APTC) for Periodic Data Matching (PDM) and Failure to Reconcile (FTR)



*Agent and  
Broker  
Resources*

# Registration and Training Is Now Live

- Plan year 2017 FFM agent and broker registration and training is **now available** on the CMS Enterprise Portal at: <https://portal.cms.gov>.
  - Training is offered by CMS on the Marketplace Learning Management System (MLMS),\* as well as through the CMS-approved vendors:
    - America's Health Insurance Plans, Inc. (AHIP): for more information, go to [www.ahipexchangetraining.com/file.php/1/public/About.html](http://www.ahipexchangetraining.com/file.php/1/public/About.html)
    - National Association of Health Underwriters (NAHU): for more information, go to [www.nahu.org/education/ffmtraining/index.cfm](http://www.nahu.org/education/ffmtraining/index.cfm)
  - Check out the Kick-off Message from Kevin Counihan, CMS' Chief Executive Officer (CEO) of the Marketplace and Director of the Center for Consumer Information & Insurance Oversight (CCIIO), on the Agents and Brokers Resources webpage (<http://go.cms.gov/CCIIOAB>).
- \*Pop-up windows are required for the MLMS training.

# Registration and Training Resources

If you have questions related to plan year 2017 registration and training, you can refer to the additional resources on the Agents and Brokers Resources webpage (<http://go.cms.gov/CCIIOAB>) to explain the process and requirements as well as answer common questions. These resource include:

- Webinar slides: “Plan Year 2017 FFM Registration and Refresher Training for Agents and Brokers Returning to the FFMs” and “Plan Year 2017 FFM Registration and Training for Agents and Brokers New to the FFMs”
- Quick Reference Guide: Plan Year 2017 FFM Registration for Agents and Brokers
- What’s New for Agents and Brokers for Plan Year 2017 FFM Registration
- Myths and Facts about FFM Plan Year 2017 Registration for Agents and Brokers
- Quick Reference Guide: Plan Year 2017 Computer Configuration Requirements
- Marketplace Learning Management System (MLMS) Frequently Asked Questions (FAQs)
- Video: How to Add an Agent, Broker, or Web-broker Corporate Entity’s NPN to the FFM Registration Completion List

# Resources Available to Agents and Brokers

- CMS makes a wide variety of resources available online, including on the Agents and Brokers Resources webpage (<http://go.cms.gov/CCIIOAB>) which is the primary outlet for CMS information for agents and brokers.
- [HealthCare.gov](http://HealthCare.gov) and [Marketplace.CMS.gov](http://Marketplace.CMS.gov) also offer 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 (<https://portal.cms.gov/>) 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).



# Agent and Broker Resources: Definition of Acronyms

Acronym	Definition
APTC	Advance Payments of the Premium Tax Credit
CMS	Centers for Medicare & Medicaid Services
CSR	Cost-sharing Reduction
EDN	Eligibility Determination Notice
FFM	Federally-facilitated Marketplace
FTR	Failure To File and Reconcile
IRS	Internal Revenue Service
MAC	Marketplace Appeals Center
MEC	Minimum Essential Coverage
MLMS	Marketplace Learning Management System
PDM	Periodic Data Matching

# Questions?



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

For questions/comments on the MLMS: [MLMSHelpDesk@CMS.HHS.gov](mailto:MLMSHelpDesk@CMS.HHS.gov)

For questions/comments about the FFM application and enrollment:  
1-800-318-2596 (TTY: 1-855-889-4325) available 7 days a week, 24 hours a day

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

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