The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.
Building on Exchange Framework in Earlier Proposals

Proposed rules complement two rules released on July 11, 2011

- The two previously proposed rules created a framework with significant flexibility to help States set up Exchanges that work for them

All five proposed rules build on more than a year of close stakeholder consultations with:

- States
- Large and small businesses
- Consumer advocates
- Health insurance plans
- Tribal representatives
- Key Experts

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.
Consumer-Centric Experience:
A Simple, Seamless Path to Affordable Coverage

- Expand access to coverage
- Provide high-quality, responsive customer service
- Coordinate seamless coverage options
- Minimize burden on States and individuals by relying on electronic data sources

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.
The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.

September 19-20, 2011
Income Eligibility for Insurance Affordability Programs

• **Medicaid Adults:** Individuals with household income from 0-133% FPL

• **Medicaid/CHIP Children:** Individuals with household income from at least 0-200% FPL

• **Advance payments of the premium tax credit:** Individuals with household income from 133-400% FPL
  – Individuals with household income greater than 400% FPL will be eligible to enroll in a QHP with no financial assistance.

• **Cost-sharing reductions:** Individuals with household income from 133-250% FPL

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.

September 19-20, 2011
Scope of the Three Proposed Rules

Exchange Eligibility and Employer Standards NPRM
- Details standards and processes for determining eligibility to enroll in qualified health plans and insurance affordability programs (advance payments of the premium tax credit, cost-sharing reductions, Medicaid, CHIP and the Basic Health Program, if applicable)
- Promotes a simple, seamless system of affordable coverage by coordinating Exchanges with Medicaid and CHIP
- Outlines basic standards for employer participation in the Small Business Health Options Program (SHOP)

Medicaid/CHIP Eligibility and Enrollment NPRM
- Expands and simplifies Medicaid eligibility
- Promotes a simple, seamless system by coordinating Medicaid and CHIP with the new Exchanges

Treasury NPRM
- Lays out how individuals and families receive premium tax credits to help make health insurance coverage more affordable

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.

September 19-20, 2011
Eligibility Determinations

• Eligibility standards: enrollment in qualified health plans and insurance affordability programs
• Verification to support eligibility process
• Changes to eligibility during coverage year
• Annual redeterminations
• Eligibility determinations coordinated with Medicaid & CHIP; Exchanges will conduct Medicaid eligibility determinations consistent with the rules of the State Medicaid agency

Employers and Exchanges

• Request for comment regarding how employers and Exchange interactions may be structured (preamble)
• Employer SHOP Participation

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.

September 19-20, 2011
Verification of Applicant Information (for Exchange, Medicaid and CHIP)

In most cases, to verify applicant information the Exchange will:

- Rely on electronic sources of data, such as the Social Security Administration, IRS, Department of Homeland Security, or other HHS-approved sources
- Follow specific procedures to verify information through other means, such as requesting documents from applicants, if needed

If applicant information is inconsistent with electronic data sources

- In the exchange, the applicant has approximately 90 days to provide documentation to resolve the inconsistency

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.

September 19-20, 2011
Exchange Redetermination of Eligibility

During a Benefit Year

- Require enrollees to report changes promptly to ensure eligibility reflects current situation
- Based on updated information received from an enrollee or obtained from data matching

Annual

- Provide notice to individual with any updated income and household/family size data obtained through electronic data sources
- Eligibility is redetermined based on updated data on notice unless individual responds with updated information

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.

September 19-20, 2011
Coordination between the Exchange, Medicaid, and CHIP

- The Exchange and State agencies will work together to ensure that the seamless, coordinated eligibility process is executed regardless of where an application is submitted.

- Data sharing between the Exchange and State agencies will occur through secure interfaces, subject to privacy and security standards to protect information.

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.
Eligibility for the Premium Tax Credit

- Enrolled in qualified health plan through the Exchange
- Household income between 100 and 400% FPL (or < 100% FPL for lawfully present individuals who are ineligible for Medicaid)
- Not eligible for Minimum Essential Coverage (MEC) from another source

Computation of the Premium Tax Credit

- Equal to the difference between the applicable percentage of household income and the benchmark premium plan

Premium Tax Credit Reconciliation on Tax Return

- Amount of any advanced payment is reconciled with household’s actual income and family size at the end of the tax year
Medicaid/CHIP Eligibility and Enrollment NPRM

• Expands eligibility to 133% FPL for all Americans under age 65
• Ends coverage gap for non-disabled low-income adults
• Enhanced federal funding for newly eligible: 2014-2016 100% federal funding, phased down to 90% in 2020
Simplifying Medicaid and CHIP

- New simplified income standard of 133% of the Federal Poverty Level for individuals less than age 65 uses same Modified Adjusted Gross Income (MAGI) used for premium tax credits; eliminates asset tests
-Eliminates obsolete eligibility categories and consolidates other categories
-Enrollment in the new simple, income-based category without having to first screen for eligibility under other categories
Simplifying Medicaid and CHIP

- Following State lead, modernizes eligibility verification rules to rely primarily on electronic data
  - 90% matching payments for systems development through 2015
- Renewals every 12 months; first evaluates information available through existing sources, improving program integrity
- Provides States with options for determining the appropriate federal matching rate for “newly eligibles” without having to operate two eligibility systems

The material in this presentation should not be viewed as having any independent legal effect, or relied upon as an interpretation or modification of the related proposed rule or statute. Not all issues or exceptions are fully addressed.

September 19-20, 2011
Next Steps

• NPRMs can be found at:

• HHS and Treasury are seeking input from States and other stakeholders on the NPRMs

• Written comments on the proposed rules should be submitted by October 31, 2011