

**Disclaimer:** The information contained in this presentation is a brief overview and should not be construed as tax advice or exhausted coverage of the topic.



# Sales Division Webinar #9

ALL SERVICE CHANNELS

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January 28<sup>th</sup>, 2015

# Housekeeping

This webinar and all related material will be posted to:

[www.coveredca.com/agents](http://www.coveredca.com/agents)

[lpas.ccgrantsandassistors.org](http://lpas.ccgrantsandassistors.org)

Please send your questions to [SalesDivisionWebinarFeedback@covered.ca.gov](mailto:SalesDivisionWebinarFeedback@covered.ca.gov) during the webinar.

# Agenda

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# The Affordable Care Act (ACA) Individual Responsibility

# The Affordable Care Act (ACA) Individual Responsibility

Starting January 1, 2014, you and your family must:

- Have health insurance coverage throughout the year (defined as Minimum Essential Coverage)

**OR**

- Qualify for an exemption from coverage

**OR**

- Make a payment on your federal income tax return

# Minimum Essential Coverage (MEC)

**If you are covered by any of the following health plans, you're considered covered under the Affordable Care Act (ACA) and don't have to pay a penalty:**

- Any Covered California Plan, or any individual insurance plan you already have
- Any employer plan (including COBRA plans, with or without "grandfathered" status)
- Retiree health plans
- Medicare
- Medi-Cal (excluding Share of Cost and other limited-scope Medi-Cal programs)
- Medi-Cal Kids (formerly Healthy Families)
- TRICARE (for current service members and military retirees, their families, and survivors)
- Veterans health care programs (including the Veterans Health Care Program, VA Civilian Health and Medical Program (CHAMPVA), and Spina Bifida Health Care Benefits Program)
- Peace Corps Volunteer plans
- Self-funded health coverage offered to students by universities for plan or policy years that begin on or before Dec. 31, 2014



# Minimum Essential Coverage (MEC)

**Some products that help pay for medical services DO NOT qualify as MEC. If you only have this type of product or coverage, you may have to pay the tax penalty. These include:**

- Coverage only for vision care or dental care
- Workers' compensation
- Coverage only for a specific disease or condition
- Plans that offer only discounts on medical services

# Individual Shared Responsibility Payment (the “Tax Penalty”)

The Tax Penalty for not having Minimum Essential Coverage (MEC) is calculated in one of 2 ways.

1) Pay either a percentage of your household income; OR

1) A flat fee

\*Whichever is greater

## 2014 Tax Penalty

Per Adult	\$95.00
Per Child (under age 18)	\$47.50
Family Maximum (Using the above method)	\$285.00
Or a % of yearly household income	1%



# Individual Shared Responsibility Payment (the “Tax Penalty”)

	2015	2016
Per Adult	\$325.00	\$695.00
Per Child (under age 18)	\$162.50	\$347.50
Family Maximum (using the above method)	\$975.00	\$2,250.00
Or a % of household income	2%	2.5%

**\*Note: After 2016, the penalty stays the same but is adjusted for inflation.**

# Exemptions from the Individual Mandate

**Under some circumstances, you won't have to make the payment even if you don't have MEC. This is called an "exemption." You may qualify for an "exemption" if any of the following apply to you:**

- You're uninsured for less than 3 months of the year
- The lowest-priced coverage available to you (premium for the lowest cost Bronze plan) would cost more than 8% of your household income
- You don't have to file a tax return because your income is too low
- You're a member of a federally recognized tribe or eligible for services through an Indian Health Services provider
- You're a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare
- You're a member of a recognized health care sharing ministry
- You're incarcerated (either detained or jailed and not being held pending disposition of charges).
- You're not lawfully present in the U.S.
- You qualify for a hardship exemption

# Exemptions from the Individual Mandate

You can get more information about qualifying exemptions and how to apply for an exemption by visiting:

[www.healthcare.gov](http://www.healthcare.gov)

Note: If the consumer claims an exemption on their federal tax filings, they are required to complete IRS Form 8965 – Health Coverage Exemptions.



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# Advanced Premium Tax Credit (APTC) Reconciliation – Recap and Updates

# Advanced Premium Tax Credit (APTC) Reconciliation

Covered California Plan enrollees already meet the Affordable Care Act Mandate to have Minimum Essential Coverage because all plans offered through Covered California meet the MEC standard, even enrollees in the Bronze and Catastrophic Plans.

Covered California Plan members **do not** have to make the payment if they were covered for at least 9 months of the year.

However, Covered California Plan enrollees must reconcile the amount of APTC they received against the amount of Premium Tax Credit (PTC) they should have received.



# Advanced Premium Tax Credit (APTC) Reconciliation

**APTC Reconciliation** is the means by which **Covered California Plan enrollees** will determine whether the amount of APTC, or **premium assistance**, paid to Covered California Health Insurance Companies on their behalf was more or less than the amount they were actually qualified to receive.

Covered California consumers use APTC to reduce the amount of premium they pay to Covered California Health Insurance Companies every month.

# Advanced Premium Tax Credit (APTC) Reconciliation

Covered California uses the following information to calculate APTC:

- The individual's or family's tax household gross annual income or Modified Adjusted Gross Income (MAGI)
- Family size (of those individuals for whom the tax filer properly claims a deduction for a personal exemption for the taxable year, including the tax filer him/herself, his/her spouse and/or children, and his/her relative as applicable)\*
- Coverage family size (of those members of the tax filer's family who are seeking enrollment in a Covered California plan and are not eligible for employer-sponsored coverage or any government-sponsored program, such as Medi-Cal or Medicare)
- The Second Lowest Cost Silver Plan (SLCSP)

# Second Lowest Cost Silver Plan (SLCSP)

- ▶ Used to calculate your eligibility for APTC.
- ▶ Your **Premium Tax Credit (PTC)** amount is calculated as the difference between the cost of the SLCSP for your household and the premium amount your household is required to contribute toward health insurance premiums. This is known as the **Expected Family Contribution Percentage**.
- ▶ The SLCSP premiums in Part III, Column B of the 1095-A may not equal the monthly premium amounts you received in Column A unless the plan in which you are enrolled is in fact the SLCSP available to your household.
- ▶ The table on the next slide shows how your premium tax credit (premium assistance) was calculated based on the SLCSP, your annual household income and household size.



# Second Lowest Cost Silver Plan (SLCSP)

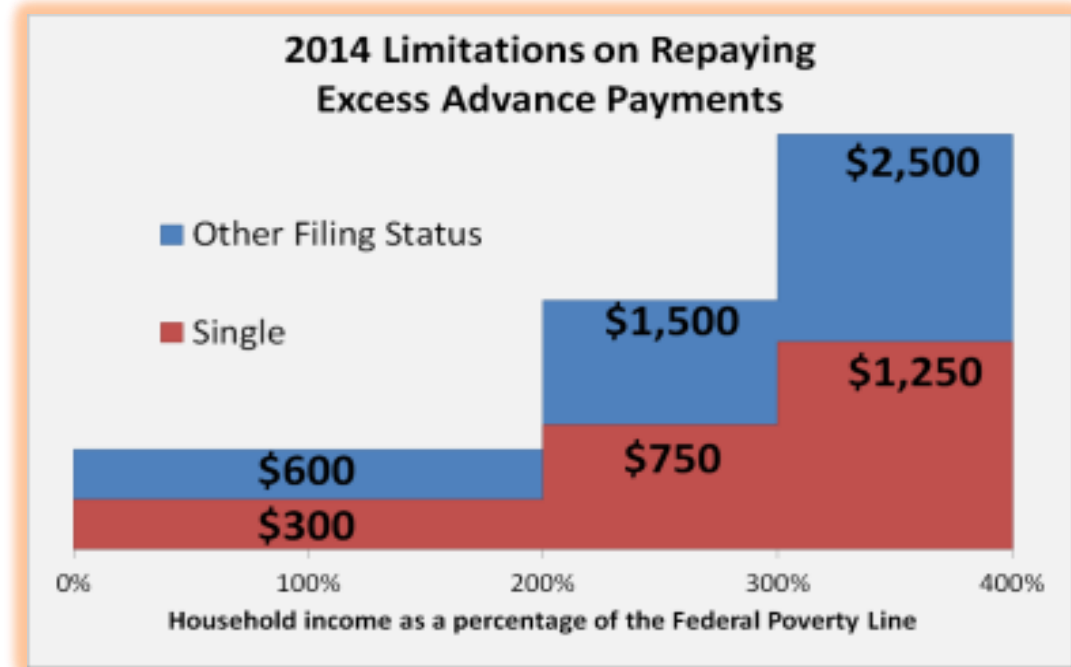
**Q:** What does Second Lowest Cost Silver Plan (SLCSP) mean and why are those premiums displayed on my form? What if it is different than my health insurance plan premiums?

How much Premium Tax Credit (premium assistance) Do I Get?	
Enter the <i>Monthly Premium Amount</i> of the <b>Second lowest Silver Plan</b> in my Zip Code:	<b>\$350.00</b>
Enter the <i>Number of Individuals</i> in your tax household size	<b>1</b>
Enter <i>Total Annual Household Income</i>	\$34,460.00
Enter the <i>Expected Family Contribution Percentage</i> *	8.1%
This is <i>My Monthly Fair Share</i> (fair share = expected contribution) [total annual household income divided by the expected family contribution percentage]	<b>\$2.32.61</b>
<b>This is the Total <i>Premium Tax Credit (Premium Assistance)</i> Available to My Household:</b> [monthly premium amount minus the my monthly fair share]	<b>\$117.40</b>

\*Note: The SLCSP will be pre-populated on the IRS Form 1095-A. To find the SLCSP by region visit the Shop and Compare calculator available on [CoveredCA.com](https://www.coveredca.com).

# Advanced Premium Tax Credit (APTC) Penalty

Once Federal Poverty Level (FPL) percentage is identified, use this chart to identify consumers 2014 limitations on repaying any excess APTC.



# Advanced Premium Tax Credit (APTC) Reconciliation

## Scenario #1

**The IRS Form 1095-A I received lists an incorrect:**

- Name
- Date of Birth
- Social Security Number
- Address

**How to make corrections to the above fields on the IRS Form 1095-A:**

- Call the Agent Service Center (877-453-9198) or the CEC/PBE Help Line (855-324-3147) to request the above changes on behalf of your client
- Assist your client with the Covered California 1095-A Dispute Form (link available in the 1095 Toolkit)
- Consumers may also contact the Covered California Service Center

# Advanced Premium Tax Credit (APTC) Reconciliation

## Scenario #2

**The IRS Form 1095-A I received lists an incorrect:**

- APTC Amount
- Coverage End or Start Dates
- Policy Number
- Other fields, etc.

**How to make corrections to the above fields on the IRS Form 1095-A:**

- Assist your client with the Covered California 1095-A Dispute Form (link available in the 1095 Toolkit)

# Scenario: When to use 1095-A Dispute Form

## ▶ Assist consumer in filling out **1095-A Dispute Form**

You may dispute any of the following regarding your Form 1095-A (check all applicable boxes):

- I never got a Form 1095-A from Covered California
- The wrong amount of premium assistance (tax credits or APTC) listed on Form 1095-A
- The wrong months of coverage are listed (for example: the Form 1095-A shows that you had Covered California health insurance in January 2014, when you did not)
- Some months you had health insurance are not shown (for example: the Form 1095-A does not show that you had Covered California health insurance in March 2014, when you did)
- The wrong start date and/or end date for covered individuals
- The wrong policy start date and/or end date
- Missing household members or wrong names
- My health coverage was terminated in 2014
- Other (please check box and use chart below to describe your dispute)

# Advanced Premium Tax Credit (APTC) Reconciliation

## Scenario #3

### **I received multiple IRS Forms 1095-A.**

Consumers may receive multiple forms (pages):

- You or members in your tax household were enrolled in more than one Covered California Health Plan in the same calendar year.
- You changed your health plan level (metal tier) of benefit. For example, you kept the same health insurance carrier plan, but you changed your health plan level metal tier from Silver to Gold.
- Members of your household were enrolled in different health insurance carrier plans.
- Your family has more than 6 members. You will receive multiple Forms 1095-A that have the same information. Only Part II of the IRS Form 1095-A will have different family members listed.

# Advanced Premium Tax Credit (APTC) Reconciliation

## Scenario #4

**I chose a language other than English as my preferred written language. Why did I receive the IRS Form 1095-A in English?**

The IRS Form 1095-A is only available in English. However, the consumer notice that accompanies the 1095-A will be generated in the five top languages spoken in California – English, Spanish, Chinese, Korean, and Vietnamese.

\*If the consumer originally indicated that English was their preferred language, but later changed it to another language, due to a system oversight, the notice will still generate in English. Covered California is working to ensure notices are sent in the consumer's documented preferred language. Consumers can call the Covered California Service Center to have the notice read to them in their language.

# 1095-A Toolkit

## **IRS Form 1095-A (Health Insurance Marketplace Statement) Toolkit for Agents/CECs/PBEs**

- Covered California 1095-A Sales Division Training Webinar (Recording/Slide Deck)
- IRS Forms 1095-A, 8962, 8965
- Covered California 1095-A Dispute Form
- Covered California 1095-A FAQs (English/Spanish)
- Covered California Talking Points for Agents/CECs
- CalHEERS Job Aid
- Covered California 1095-A Fact Sheets (English/Spanish)
- DHCS Medi-Cal 1095-A FAQs
- Consumer Notices
- Links to other resources



# 1095-A Toolkit

## IRS Form 1095-A Toolkit Updates

Updates made to FAQs and Talking Points:

- Covered California Catastrophic Plan enrollees will receive an IRS Form 1095-A
- Consumers should receive their IRS Form 1095-A by early February (via Mail and in their CoveredCA.com inbox)
- New! Medi-Cal 1095 FAQs
- New! Covered CA 1095 Fact Sheets
- New! Covered CA 1095 FAQs in Spanish



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# Payment Updates

# Payment Updates

## Total Medi-Cal Payments to Certified Insurance Agents through January 26, 2015

	# Certified Insurance Agents Paid	Total Paid
Medi-Cal Payments	~3,000	\$1,185,114
<b>Total Payments Medi-Cal payments made to CIAs</b>		<b>\$1,185,114</b>
Approximately \$1.3 million will be sent to Agents in mid-February for Medi-Cal enrollments through September 30, 2014.		

# Payment Updates

## Total CEE Payments through January 26, 2015

	# Certified Enrollment Entities Paid	Total Paid
Covered CA Plans	552	\$2,814,276
Medi-Cal Payments	662	\$4,147,348
<b>Total Payments made to CEEs</b>		<b>\$6,961,624</b>

Approximately \$1.3 million for Medi-Cal enrollments through September 30, 2014 will be sent to CEEs the 1<sup>st</sup> week in February 2015.



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# System Updates

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## **Have trouble renewing?**

If a consumer's application has not automatically renewed, please give us a call if you need assistance to complete the renewal.

# System Updates

**Q:** How do I correct the income amount on a Mixed Household or Medi-Cal application?

**A:** If it has been more than 10 days since the original eligibility determination and the application is determined to be a Mixed Household (Covered California Plan and Medi-Cal eligibility), any and all changes must be reported directly to the local county social services office.

# System Updates

**Q:** How do I “roll coverage forward” or move my effective date to a date in the future?

**A:** You must contact the Covered California Health Insurance Company to request to move your effective date to a date further into the future.



# System Updates

**Q:** The Covered California Health Insurance Company says they did not receive any information (or the correct information) from Covered California. They cannot help. What can I do?

**A:** Contact any one of our Service Centers. If the enrollment is taking longer than usual, Covered California will resend the information to the health insurance company.

# Dental Update

**FAMILY DENTAL  
PLANS WILL NOT BE  
AVAILABLE IN 2015**

# General Updates

- **CEE AND AGENT AMENDMENTS**
- **RELEASE OF MEDI-CAL ADVANCED STUDY COURSE**
- **1099'S FOR 2014 PAYMENTS**

# Presentation Materials Available:



Recording



Slide Deck



1095-A Toolkit



Newsletter links