After Open Enrollment: 2021 Tax Season Considerations and Continuity of Insurance Coverage

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Presentation Outline

- Premium Tax Credit Reconciliation

- Medicaid After the COVID-19 Public Health Emergency Ends: Unwinding Continuous Coverage Requirements

- ACE TA Center Tax Filing and Enrollment Resources

Premium Tax Credit Reconciliation

Advance Premium Tax Credit (APTC) Life Cycle

Step One: Marketplace Application
- Demonstrate financial eligibility for premium tax credit in Marketplace application. Individuals may apply for *advance* premium tax credit based on projected annual income

Dates: November 1 – January 15 in Federally-Facilitated Marketplace (FFM) states (State-Based Marketplace (SBM) states may have an extended Open Enrollment period)

Step Two: Report Income Changes
- Report changes in income to Marketplace that will impact APTC amount
- Report changes in tax household size that will impact APTC amount

Dates: January 1 – December 31 (tax year)

Step Three: File Your Federal Taxes!
- Individuals receiving APTC MUST file federal taxes for year in which they received the tax credit
- IRS will determine if individual received the right amount of APTC during the year

Dates: By April 18

Tax Forms Relevant to AIDS Drug Assistance Programs (ADAPs)

Tax Form	Description
Form 1095-A	Form generated by the Marketplace and sent to anyone receiving APTC
Form 1095-B	Form sent by the insurer to the insured verifying individual had coverage
Form 1095-C	Form sent by employer to the employee verifying whether the individual had coverage
Form 8962	Addendum to tax return documenting APTC reconciliation

Reconciling APTCs

Form 1095-A: Tells you how much the individual actually received in APTCs throughout the year (by month)

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February			
23 March			

Reconciling APTCs

Form 8962: Tells you how much the individual should have received in APTCs and allows for calculation of any overpayment or underpayment

24	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here	24	
25	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here	25	
26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 3 (Form 1040), line 8. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27	26	**REFUND OWED TO INDIVIDUAL**

Part III   Repayment of Excess Advance Payment of the Premium Tax Credit

27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27	
28	Repayment limitation (see instructions)	28	
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 2	29	**AMOUNT OWED TO IRS**

Reconciling APTCs

Schedule 2: Enter excess PTC from Form 8962, line 29

Schedule 3: Enter net PTC from Form 8962, line 26

Reconciling APTCs

16	**Tax** (see instructions). Check if any from Form(s): **1** ☐ 8814 **2** ☐ 4972 **3** ☐ _____	**16**
17	Amount from Schedule 2, line 3	**17** Schedule 2
18	Add lines 16 and 17	**18**
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	**19**
20	Amount from Schedule 3, line 8	**20**
21	Add lines 19 and 20	**21**
22	Subtract line 21 from line 18. If zero or less, enter -0-	**22**
23	Other taxes, including self-employment tax, from Schedule 2, line 21	**23**
24	Add lines 22 and 23. This is your **total tax** ▶	**24**
25	Federal income tax withheld from:	
a	Form(s) W-2	**25a**
b	Form(s) 1099	**25b**
c	Other forms (see instructions)	**25c**
d	Add lines 25a through 25c	**25d**
26	2021 estimated tax payments and amount applied from 2020 return	**26**
27a	Earned income credit (EIC)	**27a**
	Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions ▶ ☐	
b	Nontaxable combat pay election	**27b**
c	Prior year (2019) earned income	**27c**
28	Refundable child tax credit or additional child tax credit from Schedule 8812	**28**
29	American opportunity credit from Form 8863, line 8	**29**
30	Recovery rebate credit. See instructions	**30**
31	Amount from Schedule 3, line 15	**31** Schedule 3
32	Add lines 27a and 28 through 31. These are your **total other payments and refundable credits** ▶	**32**
33	Add lines 25d, 26, and 32. These are your **total payments** ▶	**33**

If you have a qualifying child, attach Sch. EIC.

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APTC Repayment Caps

Household Income	Single filers	All other filers
Less than 200% of Federal Poverty Level (FPL)	$325	$650
At least 200% FPL but less than 300% PFL	$800	$1,600
At least 300% FPL but less than 400% FPL	$1,350	$2,700
400% FPL or more	None	None

Source: IRS Form 8962 Instructions, Table 5

American Rescue Plan Act: Marketplace Coverage

American Rescue Plan Act of 2021 (signed into law March 2021)

- Eliminates 400% FPL income cap on tax credit eligibility (2021, 2022)

- Increases tax credits for clients who are already eligible (2021, 2022)
  - Clients with incomes below 150% FPL will have a zero-premium Silver option

- Provides maximum premium and cost-sharing assistance for individuals receiving or approved to receive unemployment benefits in 2021, including those in "Medicaid gap" (2021)

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HRSA HAB Guidance

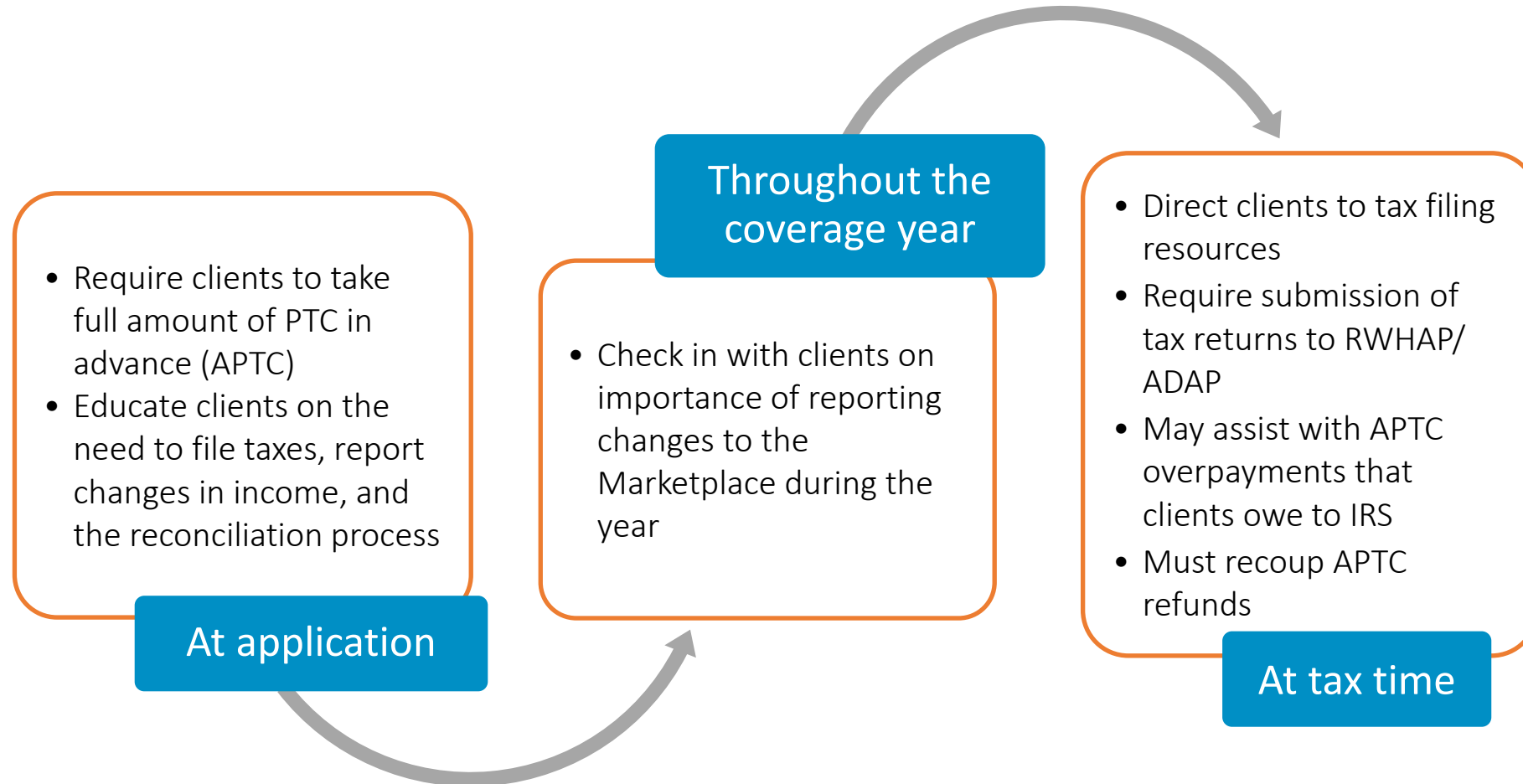| HRSA HAB PCN 14-01	
In the event of APTC tax refund to the client	In the event of APTC liability owed to the IRS by the client
Recipients must "vigorously pursue" any excess premium tax credit a client receives from the IRS upon submission of federal tax return	Recipients may cover client tax liabilities associated with an overpayment of the premium tax credit.
Recovered premium tax credit refunds are not considered program income; recipients must use recovered refunds in the Health Insurance Premium and Cost-sharing Assistance service category in the grant year when it's received	The payment to the IRS must be made from funds available in the year when the tax liability is due
Helpful Tip: include the client's name, SSN or TIN, tax year, and portion of tax liability to which the Ryan White/ADAP payment should be designated (Form 1040)	Recipients must develop processes to coordinate payments directly to IRS *(payments to clients are prohibited)* and may only pay the amount directly attributed to the reconciliation of the premium tax credits

Typical RWHAP/ADAP Policies Regarding APTCs

At application

- Require clients to take full amount of PTC in advance (APTC)
- Educate clients on the need to file taxes, report changes in income, and the reconciliation process

Throughout the coverage year

- Check in with clients on importance of reporting changes to the Marketplace during the year

At tax time

- Direct clients to tax filing resources
- Require submission of tax returns to RWHAP/ADAP
- May assist with APTC overpayments that clients owe to IRS
- Must recoup APTC refunds

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ACE TA Center
Tax Filing and
Enrollment Resources

Access, Care, and Engagement (ACE) TA Center
Molly Tasso, March 2022

JSI

ACE TA CENTER

The ACE TA Center
helps organizations

Engage, enroll, and retain
clients in health coverage (e.g., Marketplace and other private health insurance, Medicare, Medicaid).

Communicate with RWHAP clients
about how to stay enrolled and use health coverage to improve health care access, including through the use of Treatment as Prevention principles.

Improve the clarity
of their communication around health care access and health insurance.

Audiences

- RWHAP program staff, including case managers

- RWHAP organizations (leaders and managers)

- RWHAP clients

- Navigators and other in-person assisters that help enroll RWHAP clients

Visit us at

targethiv.org/ace
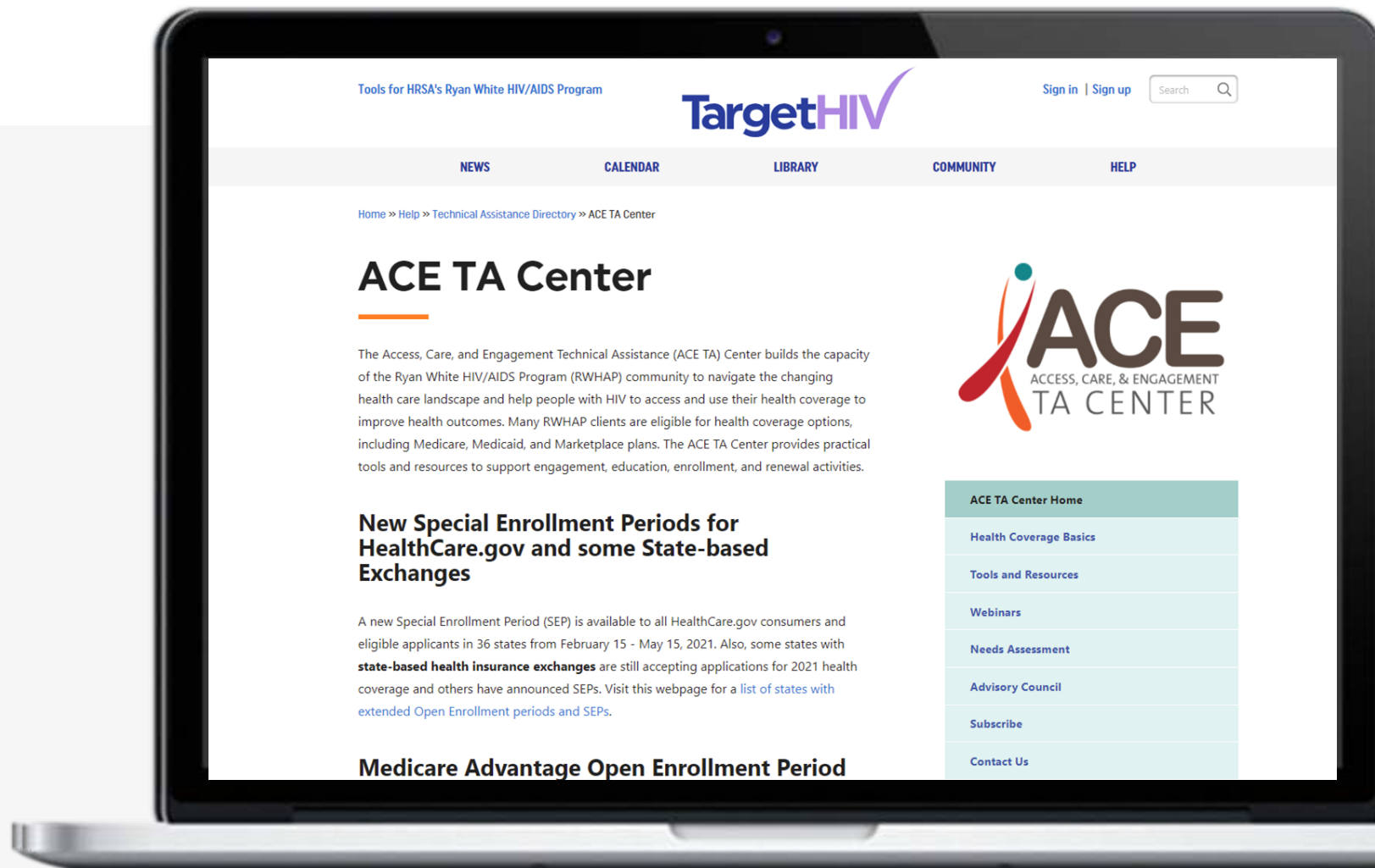
Tax filing resources for RWHAP direct service providers

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Understanding PTCs and CSRs Module

- Builds HIV program staff capacity to help clients pay for health insurance and reduce their out-of-pocket costs

- Self-paced, interactive, **online e-learning course**

Understanding Premium Tax Credits and Cost Sharing Reductions

START COURSE   DETAILS ⌄

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Financial help is available for many consumers who get health coverage through the Health Insurance Marketplace. Through this interactive module, HIV program staff will learn about premium tax credits, cost sharing reductions, and how these and other resources can help Ryan White HIV/AIDS Program (RWHAP) clients to pay for their health insurance and reduce out-of-pocket costs.

FAQ: PTCs and CSRs

FAQ: Premium Tax Credits (PTCs) and Cost-Sharing Reductions (CSRs)

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February 23, 2022

ACE TA Center

Related Resources

Understanding Premium Tax Credits and Cost-Sharing Reductions eLearning Module

Financial support is available for many consumers who get health coverage through the Marketplace. Learn how **premium tax credits** (PTCs) and **cost-sharing reductions** (CSRs) can help Ryan White HIV/AIDS Program (RWHAP) clients pay for health insurance.

Premium Tax Credit (PTC)

Premium tax credits help lower the cost of premiums for health coverage purchased through the Health Insurance Marketplace. Advance payments of the tax credit can be used right away to lower your monthly premium costs.

Cost-Sharing Reduction (CSR)

A discount that lowers the amount individuals and families have to pay out-of-pocket for

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Taxes may not be fun, but they play an important role in helping make health coverage more affordable. Below is information on:

- Tax filing for individuals with health coverage through the Marketplace

- States with individual mandates on proof of coverage

- Resources on tax filing

This information is accurate for filing 2021 taxes. The federal tax filing deadline in most states is April 18, 2022. For residents of MA and ME, the deadline is April 19, 2022.

We'd like your feedback

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Taxes and Health Coverage consumer resource

External tax filing assistance

- **Volunteer Income Tax Assistance (VITA)**
  - People who make **$58,000 or less**
  - Persons with disabilities
  - Limited English-speaking taxpayers
- **Tax Counseling for the Elderly (TCE)**
  - People **aged 60 or older**
  - Can answer questions about pensions and retirement
- **IRS Free File Program**
  - People who make **$73,000 or less**
  - May be able to assist with state taxes

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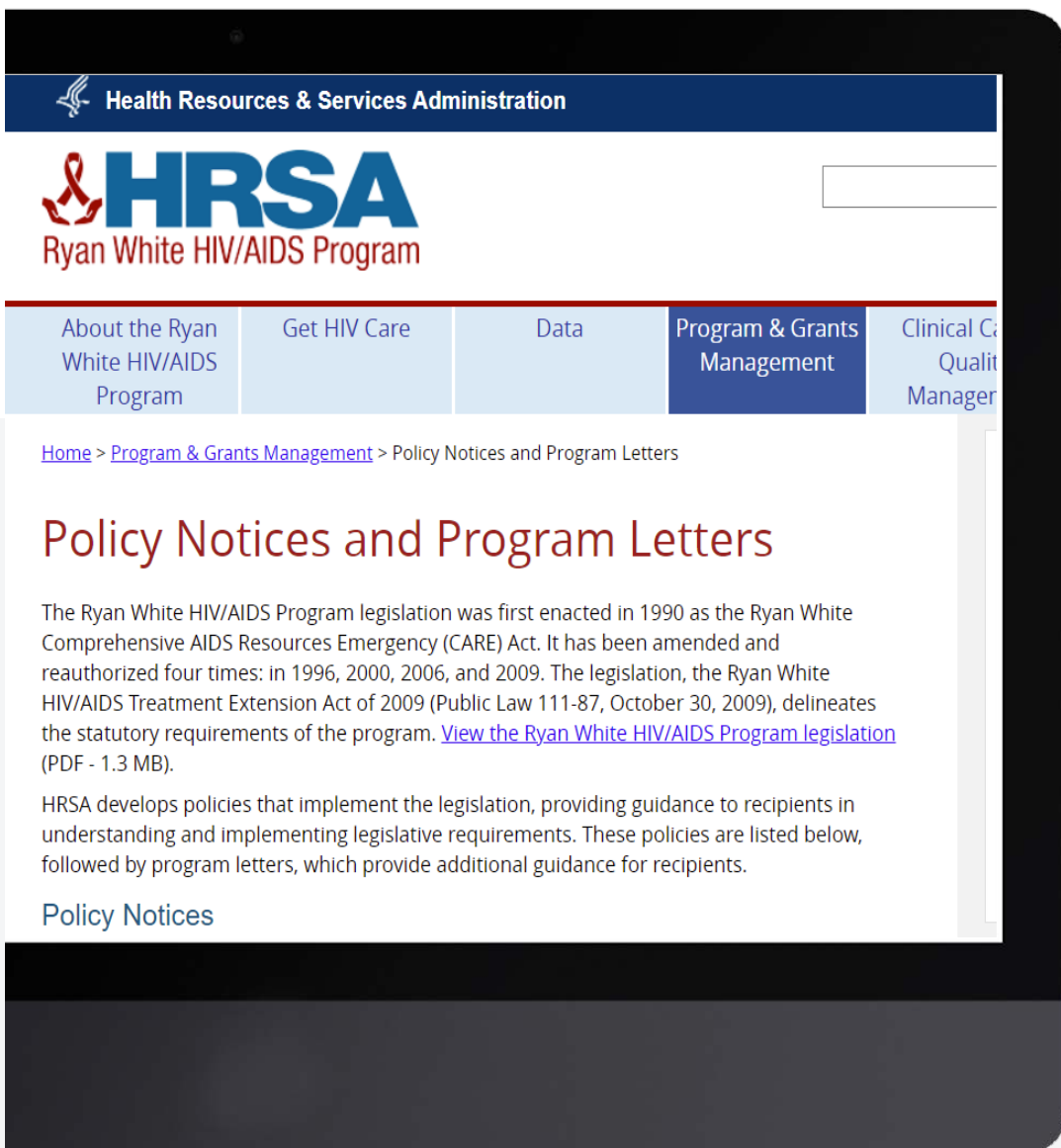
Can RWHAP funds be used to help clients file their taxes?

PCN #16-02: Other Allowable Professional Services

"Income tax preparation services to assist clients in filing federal tax returns that are required by the Affordable Care Act **for all individuals receiving premium tax credits**."

Health Resources & Services Administration

HRSA
Ryan White HIV/AIDS Program

| About the Ryan White HIV/AIDS Program | Get HIV Care | Data | Program & Grants Management | Clinical Ca Qualit Manager |

Home > Program & Grants Management > Policy Notices and Program Letters

Policy Notices and Program Letters

The Ryan White HIV/AIDS Program legislation was first enacted in 1990 as the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act. It has been amended and reauthorized four times: in 1996, 2000, 2006, and 2009. The legislation, the Ryan White HIV/AIDS Treatment Extension Act of 2009 (Public Law 111-87, October 30, 2009), delineates the statutory requirements of the program. View the Ryan White HIV/AIDS Program legislation (PDF - 1.3 MB).

HRSA develops policies that implement the legislation, providing guidance to recipients in understanding and implementing legislative requirements. These policies are listed below, followed by program letters, which provide additional guidance for recipients.

Policy Notices

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Medicaid After the COVID-19 Public Health Emergency Ends: Unwinding Continuous Coverage Requirements

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Unwinding Medicaid PHE Requirements

The COVID-19 Public Health Emergency (PHE) is expected to end no earlier than mid-July.

- States are prohibited from **involuntarily** disenrolling clients during PHE
  - Exception: "not validly enrolled" or moving out of state
- Clients will maintain coverage until **at least the end of the month** in which the PHE ends
  - Some clients will maintain coverage for much longer
- States must have an "unwinding operational plan"

Unwinding Medicaid PHE Requirements

States must complete another renewal before terminating coverage.

- Medicaid may renew eligibility based on available data sources (*ex parte*), without requesting additional information from client
  - Must send the client a notice explaining eligibility determination and information relied upon

- If Medicaid cannot renew *ex parte*, must send a proper renewal form requesting more information from the client
  - Medicaid may request further verification if information on returned form is not "reasonably compatible" with data sources

- Client is entitled to maintain coverage until renewal process is complete and pending any appeals

Unwinding Medicaid PHE Requirements

- Did Medicaid begin my client's renewal at the permissible time?

- Did Medicaid perform a proper renewal for my client?

- Did Medicaid properly terminate my client?

- Did Medicaid provide proper notices to my client about their renewal and termination?

PHE Unwinding: Medicaid Renewals

Potential renewal <u>process</u> red flags:

- Client is terminated without first receiving a proper request for information from Medicaid

- Client receives renewal form before August 1*

  - NOTE: States may opt to start the process up to two months early (as early as June 1*)

- Client receives a renewal form less than 12 months after last **completed, successful** renewal

  - NOTE: State does not need to wait 12 months if:
    - Client was found ineligible at last renewal, or
    - Client did not respond to the last renewal attempt

* if PHE ends in July

PHE Unwinding: Medicaid Renewals

Potential renewal form red flags:

- Unclear instructions for completing and/or returning the form

- No deadline for returning renewal form, or client is not given enough time (30 days for most clients)

- Request for information is not specific

- Renewal form is not prepopulated (required for most clients)

PHE Unwinding: Medicaid Renewals

Potential renewal <u>verification</u> red flags:

- Overly burdensome verification request, such as asking client to:
  - Verify eligibility factors not typically subject to change
    - Ex: immigration status
  - Verify minor inconsistencies that do not affect eligibility ("reasonable compatibility")
    - Ex: minor discrepancy in income that does not impact eligibility
  - Verify information that does not impact eligibility
  - Provide excessive documentation beyond what is needed to resolve the inconsistency
- State is not following its approved verification plan

PHE Unwinding: Medicaid Terminations

Permissible grounds for termination:

- Client determined no longer eligible after proper renewal process
- Client does not respond to request for information

Before terminating a client, Medicaid must:

- Assess eligibility for other Medicaid categories
- Assess eligibility for other insurance affordability programs, such as Marketplace, and transfer client's online account if eligible
  - EXCEPTION: Termination was due to failure to return requested information
- Send a proper advance notice of termination

PHE Unwinding: Medicaid Terminations

Potential termination process red flags:

- Client is terminated before the end of the PHE
  - Earliest permissible termination: August 1*

- Client is terminated based on information from an old renewal

- Client is terminated before renewal is complete or before appeal is resolved

* if PHE ends in July

PHE Unwinding: Medicaid Terminations

Potential termination <u>notice</u> red flags:

- Missing required notice elements:
  - No individualized client information (e.g., income)
  - No instructions for language or disability access
  - No statement of adverse action being taken (termination)
  - No effective date of termination
  - No specific reason given for termination
  - No citation to regulations that authorize termination
  - No information about appeal and hearing rights, or how to access appeal/hearing
  - No evidence that state considered eligibility for other Medicaid groups
  - Client is over-income for Medicaid but account is not transferred to Marketplace

PHE Unwinding: Medicaid Terminations

Potential termination <u>notice</u> red flags:

- Improper limits on appeal rights

- Client must take additional steps to access information that should be in the notice
  - Contact call center, log into online account

- Notice is not written in "plain language"
  - Complex, unclear

- Notice is not timely (generally must be mailed 10 days in advance)
  - Postmark date very different from date on letter, termination date has already passed

PHE Unwinding: Medicaid Terminations

If client is terminated for failure to return information:

- If client returns the information within 90 days of termination, Medicaid must reconsider eligibility without requiring a new application
  - Some states allow more than 90 days
- If client is still eligible, Medicaid must:
  - Reinstate coverage (effective date varies by state)
  - Provide up to 3 months retroactive coverage, if applicable

NOTE: For some eligibility groups, Medicaid may but is not required to reconsider.

PHE Unwinding: Additional Resources

- CMS guidance and communications toolkits
  - https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/index.html

- Medicaid eligibility verification plans, by state
  - https://www.medicaid.gov/medicaid/eligibility/medicaidchip-eligibility-verification-plans/index.html

- Medicaid and CHIP Eligibility and Enrollment Policies as of January 2022: Findings from a 50-State Survey
  - https://www.kff.org/medicaid/report/medicaid-and-chip-eligibility-and-enrollment-policies-as-of-january-2022-findings-from-a-50-state-survey/

PHE Unwinding: Additional Resources

- Tips for Advocates
  - https://ccf.georgetown.edu/wp-content/uploads/2021/08/unwinding-phe-final.pdf
- Unwinding the Medicaid Continuous Coverage Requirement: Frequently Asked Questions
  - https://www.cbpp.org/research/health/unwinding-the-medicaid-continuous-coverage-requirement
- Recorded webinars:
  - https://www.kff.org/medicaid/event/march-16-web-event-looking-ahead-medicaid-continuous-enrollment-requirement/
  - https://ccf.georgetown.edu/2021/08/02/webinar-series-unwinding-the-covid-19-medicaid-continuous-eligibility-provision/

Public Health Emergency (PHE) & Medicaid coverage

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Public Health Emergency (PHE) and Medicaid coverage

- States cannot terminate Medicaid coverage while PHE remains in place, also known as continuous coverage requirement. Currently, even if individuals become ineligible for Medicaid during the PHE, they cannot be dropped from coverage.

- Once PHE ends, states will have to resume full eligibility redeterminations and renewals for all beneficiaries, meaning enrolled individuals must respond to requests for information or risk losing coverage.

- Clients may have moved, lost jobs, or experienced other disruptions during the pandemic which may impact ability to respond to information requests.

- Date of the end of PHE is unknown, but the RWHAP should begin preparing clients for the Medicaid renewal process now to avoid gaps in coverage.

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How RWHAP can prepare for end of PHE

1. Educate RWHAP staff on PHE implications for Medicaid enrollees.

2. Establish relationships with enrollment organizations who can help educate and enroll RWHAP clients into other forms of health coverage.

3. Communicate with RWHAP clients proactively.

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1. Educate RWHAP staff on PHE implications for Medicaid enrollees

- State ADAPs can provide information to recipients and subrecipients about the PHE and forthcoming redetermination process.

- Process and timeline of unwinding PHE will be different in each state, so RWHAP should seek detailed information from state Medicaid office.

- Use available data to compile list of RWHAP clients who are enrolled into Medicaid.
  - Depending on data available, may be done at the state ADAP level, or recipients and subrecipient level.

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2. Establish relationships with enrollment organizations

- Depending on staff capacity, RWHAP recipients and subrecipients may need to collaborate with local enrollment organization to conduct education and enrollment of RWHAP clients into other forms of health coverage.

- Navigator entities, Certified Application Counselor (CAC) organizations, or SHIP counselors can provide assistance.

- Make sure these partners are aware of RWHAP, including role of ADAP, in health coverage. (Reminder: The RWHAP is not health insurance!)

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Training for external enrollment partners

targethiv.org/assisters

3. Communicate with RWHAP clients

- RWHAP recipients and subrecipients should proactively engage RWHAP clients who are enrolled in Medicaid.
  - Use ADAP eligibility redetermination process as opportunity to provide education.
- **Key messages to convey:**
  - Ensure mailing address and contact information is up to date with the state Medicaid office.
  - Be sure to open any mail from state Medicaid office and respond in a timely manner.
  - Don't worry! If no longer Medicaid eligible, there are other health coverage and RWHAP options available to ensure continued access to medication.

Questions?

Thank you!

targethiv.org/ace

Sign up for our mailing list, download tools and resources, and more.

Contact Us

acetacenter@jsi.com

ACE TA Center: Additional Resources

- ACE TA Center
  - https://targethiv.org/ace

- Understanding PTCs and CSRs Learning Module
  - https://targethiv.org/library/ace/understanding-premium-tax-credits-and-cost-sharing-reductions-elearning-module

- FAQ: PTCs and CSRs
  - https://targethiv.org/library/ace-faq-premium-tax-credits-ptcs-and-cost-sharing-reductions-csrs

- Financial Help and Taxes
  - https://targethiv.org/library/ace-financial-help-taxes

- Taxes and Health Coverage Consumer Resource
  - https://targethiv.org/library/ace-taxes-and-health-coverage-consumer-resource

Additional Resources

- Health Reform: Beyond the Basics
  - https://www.healthreformbeyondthebasics.org/
- NASTAD COVID-19 Updates & Resources
  - https://www.nastad.org/resource/covid-19-updates-and-resources
- OnTAP Resource Bank COVID-19 resources
  - https://ontap.nastad.org
  - Share materials from your state via email directly to Mahelet Kebede (mkebede@NASTAD.org)