

After Open Enrollment: Tax Season Considerations and Continuity of Health Coverage in 2024

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Presentation Outline

- Premium Tax Credit Reconciliation
- Easy Enrollment Programs
- Medicaid Unwinding updates
- Medicare updates
- ACE TA Center resources

Premium Tax Credit Reconciliation

Advance Premium Tax Credit (APTC) Life Cycle

Step One: Marketplace Application

- Individuals may apply for *advance* premium tax credit (APTC) based on projected annual income

Dates: November 1 – January 15 in most states

Step Two: Report changes impacting eligibility

- Report changes to Marketplace (income, household size)

Dates: January 1 – December 31 (tax year)

Step Three: File federal taxes

- Required for anyone who received APTCs during that tax year
- IRS will determine if individual received the right amount of APTC, which may result in either tax refund or liability

Dates: By the tax filing deadline (2024: April 15)

Tax Forms for APTC Reconciliation

Tax Form	Description
Form 1095-A	Form generated by the Marketplace and sent to anyone who had Marketplace coverage in 2023
Form 1095-B	Form sent by coverage provider (e.g., Medicaid, some employer plans, off-Marketplace) to anyone who had minimum essential coverage* in 2023 * Excluding Marketplace (1095-A) and large employer plans (1095-C)
Form 1095-C	Form sent by certain large employers (50+ employees) to all employees who were eligible for job-based coverage in 2023
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 CLIENT
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
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Additional Taxes

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

Part I Tax

1	Alternative minimum tax. Attach Form 6251	1	
2	Excess advance premium tax credit repayment. Attach Form 8962	2	
3	Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17 . .	3	

**Schedule 2
(liability):**
Enter excess PTC
from Form 8962,
line 29

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

**SCHEDULE 3
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Additional Credits and Payments

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

Part II Other Payments and Refundable Credits

9	Net premium tax credit. Attach Form 8962	9	
14	Total other payments or refundable credits. Add lines 13a through 13z	14	
15	Add lines 9 through 12 and 14. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 31	15	

Schedule 3 (Form 1040) 2021

Reconciling APTCs

Form **1040**

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>		16
	17	Amount from Schedule 2, line 3		17
	18	Add lines 16 and 17		18
	19	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
Payments	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	2022 estimated tax payments and amount applied from 2021 return		26
	27	Earned income credit (EIC)	27	
	28	Additional child tax credit from Schedule 8812	28	
	29	American opportunity credit from Form 8863, line 8	29	
	30	Reserved for future use	30	
	31	Amount from Schedule 3, line 15		31
	32	Add lines 27, 28, 29, and 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.

Schedule 2 (liability)

Schedule 3 (refund)

APTC Repayment Caps (2023 Tax Year)

Household Income	Single filers	All other filers
Less than 200% of Federal Poverty Level (FPL)	\$350	\$700
At least 200% FPL but less than 300% PFL	\$900	\$1,800
At least 300% FPL but less than 400% FPL	\$1,500	\$3,000
400% FPL or more	None	None

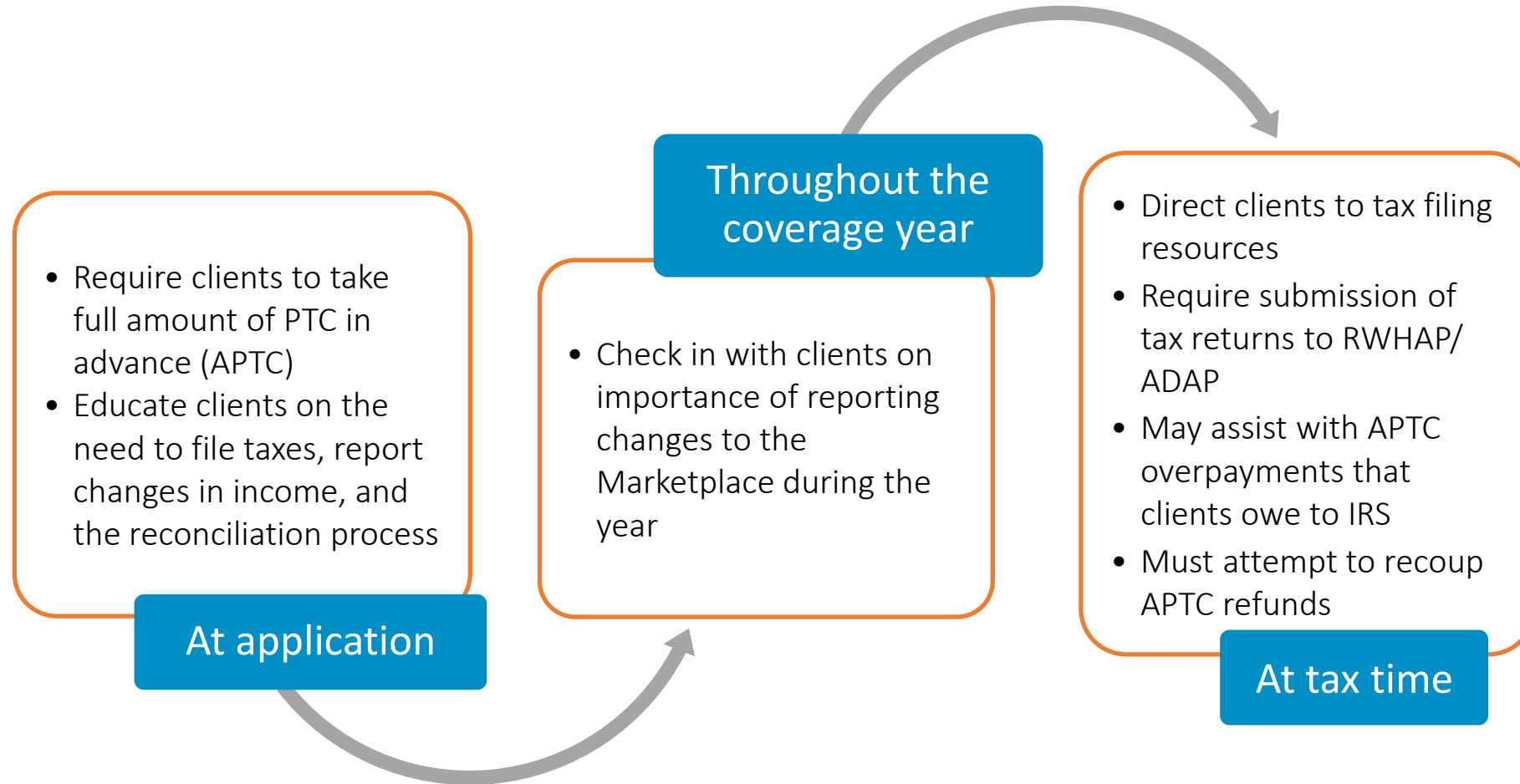
Source: IRS Form 8962 Instructions, Table 5

Health Resources and Services Administration (HRSA) HIV/AIDS Bureau (HAB) Guidance

HRSA HAB Policy Clarification Notice (PCN) 14-01

If a client receives a refund from the IRS:	In the event of APTC liability owed to the IRS by the client
Recipients must “vigorously pursue” PTC refunds that clients receive	Recipients may cover client tax liabilities associated with excess PTCs
Recovered premium tax credit refunds are <u>not</u> considered program income. Recipients must use recovered refunds in the Ryan White HIV/AIDS Program (RWHAP) Health Insurance Premium and Cost-sharing Assistance service category (or AIDS Drug Assistance Program (ADAP) service category, if applicable) 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
	Recipients must develop processes to coordinate payments directly to IRS (<i>payments to clients are prohibited</i>) and may only pay the amount directly attributed to the reconciliation of the premium tax credits

Typical RWHAP/ADAP Policies Regarding APTCs



Tips From Peers: PTC Payment/Recoupment

- Sending multiple client letters explaining tax filing process and documents that must be submitted to ADAP
- Asking clients to submit documents early so ADAP can make payment to IRS in time for tax filing deadline
- Sending clients a notice and documentation of payment that was made (e.g., copy of check, copy of Form 1040-V)
- Billing client quarterly for refund owed to ADAP

Making Payments to the IRS

Online payments

- Directly with checking or savings account (IRS Direct Pay) (no fees)
 - Schedule payments up to 30 days in advance
- Credit cards and debit cards (processing fees apply)

Submit client's information, not third-party payer's information.

<https://www.irs.gov/payments>

Making Payments to the IRS

Paper check

- Form 1040-V explains how to prepare and submit payment
- Client's Social Security Number (SSN) or Taxpayer Identification Number (TIN) must be written on check (in compliance with agency HIPAA policy)
- Not necessary to write that this is for PTC liability
- Individual checks for each client (rather than bulk payment) reduce risk of payments being applied incorrectly

Pilot: IRS Direct File

Direct File is a new tax tool to file federal taxes for free directly with the IRS.

- Walks through federal tax filing with simple questions
- Provides user-friendly information about tax terms, etc.
- Offers live customer support, including for basic tax law questions
- **NOTE:** Requires SSN/TIN, government ID, and an online account with the IRS (via ID.me)
- **NOTE:** Not suitable for Marketplace enrollees or clients with complex tax situations → consider IRS Free File

The IRS Direct File pilot program is currently available in 12 states:

AZ, CA, FL, MA,
NH, NV, NY, SD,
TN, TX, WA, WY

For more information, visit: <https://directfile.irs.gov/>

Easy Enrollment Programs



Easy Enrollment Programs

- Easy enrollment programs allow uninsured tax filers to apply for Medicaid and Marketplace coverage when they file their state tax return
- Ties together annual tax filing process and health coverage enrollment
 - Offers a Marketplace Special Enrollment Period (SEP) to individuals who seek coverage through Easy enrollment program but are not eligible for Medicaid
 - Has potential to expand beyond tax filing, including leveraging unemployment filings
- Currently, can only be implemented in states that operate a state-based exchange

How it works: A look at Maryland's Easy Enrollment program

- **Check the Box.** A question on the state tax forms will ask if an individual wants to share some of their information, like household size and income.
- **File taxes.** If a tax filer checked the box, the Maryland Health Connection will check to see if they may be eligible for Marketplace or Medicaid coverage.

MARYLAND
FORM
502

RESIDENT INCOME
TAX RETURN

MARYLAND
HEALTH CARE
COVERAGE

See Instruction 3.

Check here ▶

If you do not have health care coverage

DOB (mm/dd/yyyy) ▶

Check here ▶

If your spouse does not have health care coverage

DOB (mm/dd/yyyy) ▶

Check here ▶

I authorize the Comptroller of Maryland to share information from this tax return with the Maryland Health Benefit Exchange for the purpose of determining pre-eligibility for no-cost or low-cost health care coverage.

E-mail address ▶

How it works: A look at Maryland's Easy Enrollment program (con't)

- **Receive a letter.** Shortly after an individual files taxes, Maryland Health Connect will mail them a letter explaining their eligibility for Marketplace or Medicaid coverage.
 - A person has 35 days from the date on their letter to sign up for a health plan.
- **Enroll through Maryland Health Connection.** Once a person receives their letter, they can login into or create an account on the Marketplace and enroll.
 - A new Special Enrollment question will ask if they or a household member received a “Tax Time SEP” notice.

Promising Maryland results

- During first year of implement, more than 60,000 people “checked the box”, and more than 53,000 were found eligible for Marketplace or Medicaid coverage.
- 4,015 people enrolled in coverage
 - 15% found eligible for Medicaid
 - 11% found eligible for subsidized marketplace plans
- As of September 2020, 23 percent of marketplace enrollees who signed up through the program were Black, compared with fewer than 17 percent of enrollees who signed up during the recent open-enrollment period

Easy Enrollment programs growing

- In addition to Maryland, the following states have enacted legislation to create easy enrollment programs:
 - Colorado
 - Massachusetts
 - Pennsylvania
 - Virginia
 - New Mexico
 - New Jersey
 - Maine
 - California
 - Minnesota
 - Illinois

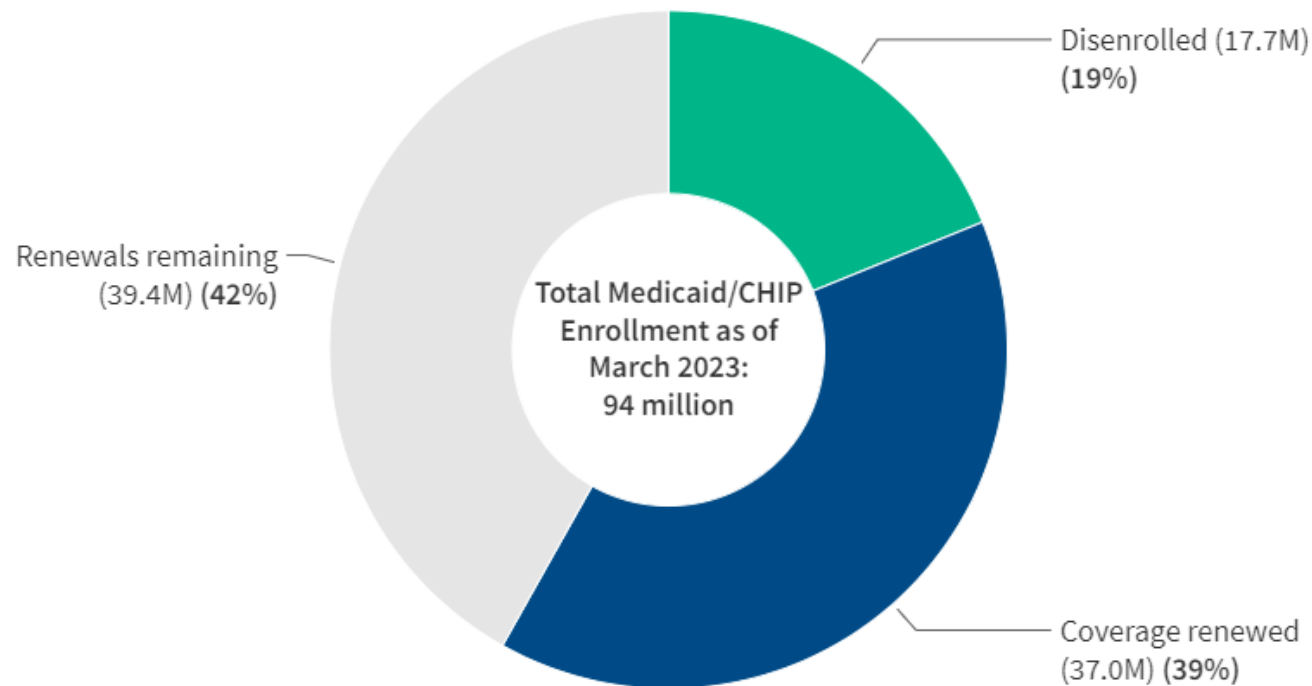
Medicaid Unwinding Updates

Medicaid Unwinding by the Numbers

Figure 1

As of March 4, 2024, States Have Reported Renewal Outcomes for Roughly Half of People who were Enrolled in Medicaid/CHIP Prior to the Start of the Unwinding

Cumulative Medicaid renewal outcomes reported as a share of March 2023 Medicaid/CHIP enrollment:



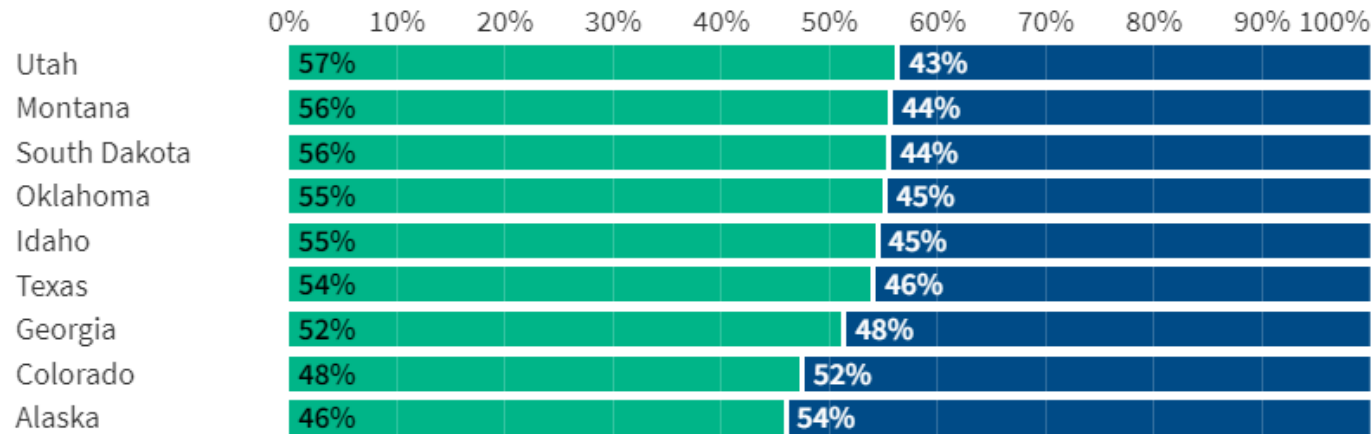
71% of disenrollments were for procedural reasons

60% of renewals were completed on an *ex parte* basis

40% of renewals were completed by renewal form

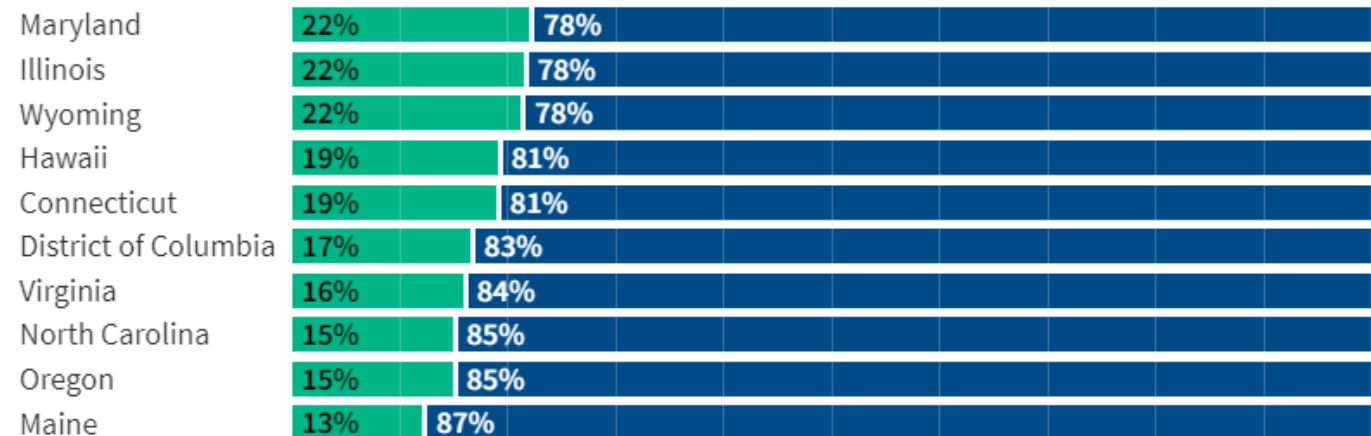
Medicaid Unwinding: Disenrollments

■ Disenrollment Rate ■ Renewal Rate



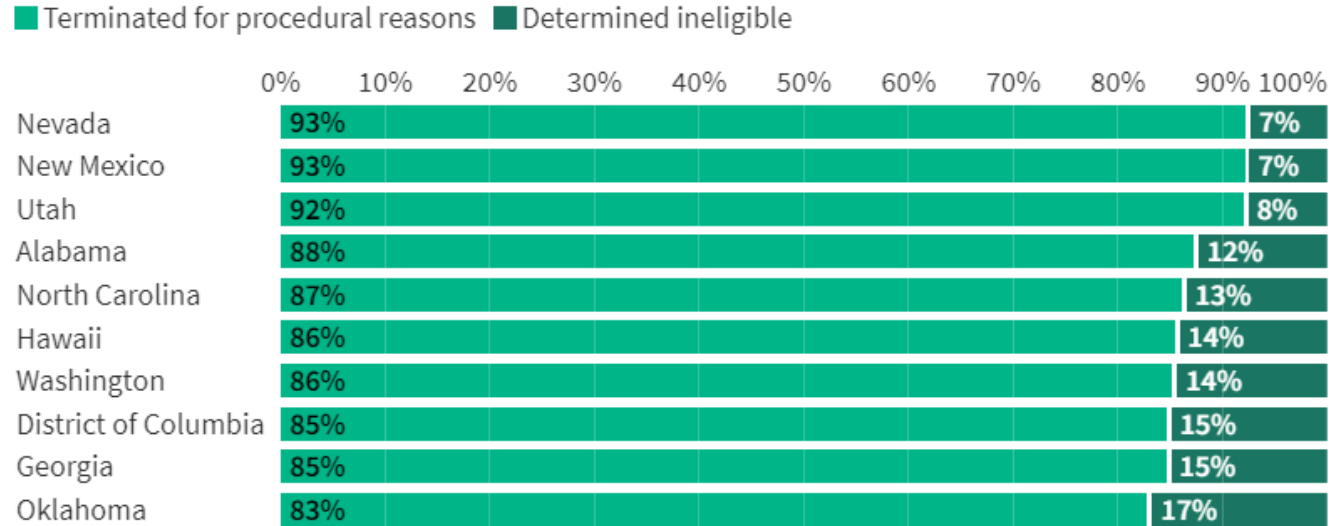
States with the **highest disenrollment rates**

States with the **lowest disenrollment rates**



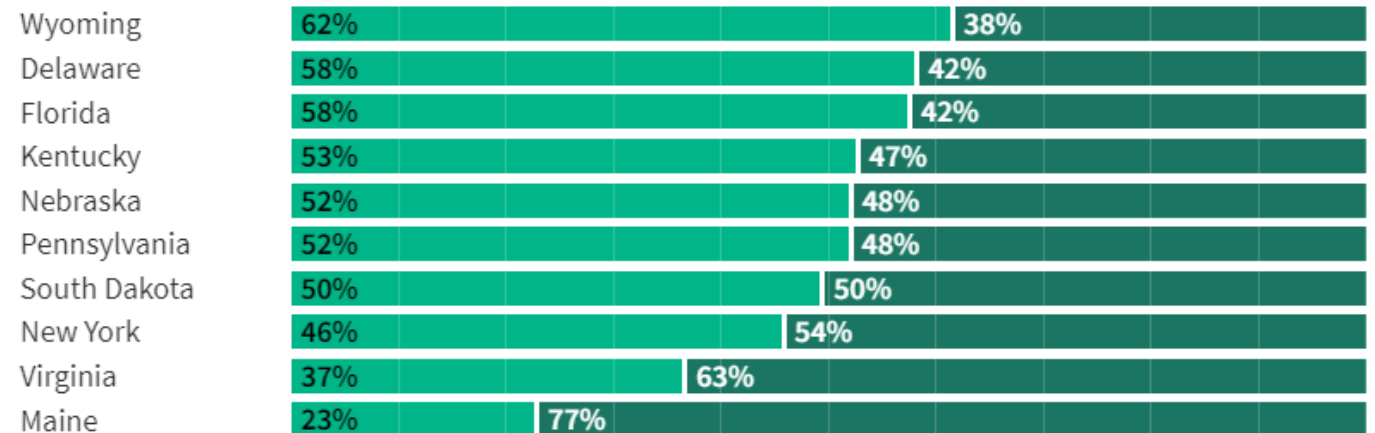
Medicaid Enrollment and Unwinding Tracker, Kaiser Family Foundation (updated Mar. 4, 2024), <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview/>

Medicaid Unwinding: Disenrollments (cont.)



States with the **highest procedural disenrollment rates**

States with the **lowest procedural disenrollment rates**



Medicaid Enrollment and Unwinding Tracker, Kaiser Family Foundation (updated Mar. 4, 2024), <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview/>

Medicaid “Reconsideration Period”

- If a client’s Medicaid coverage is terminated because they failed to return a renewal form or provide other requested information, Medicaid must **reconsider eligibility without requiring a new application** if:
 - The client belongs to a Modified Adjusted Gross Income (MAGI)* eligibility group, AND
 - The client submits the requested information within 90 days of the termination
- States may choose whether to provide a reconsideration period for non-MAGI groups

42 C.F.R. § 435.916(a)(3)(iii)

* MAGI groups: pregnant women, children, parents/caretakers, adult “expansion” group

Transitioning from Medicaid to Other Coverage

- Transitioning to the **Marketplace**:
 - PHE Unwinding Special Enrollment Period (SEP)
 - Low-Income SEP
 - Loss of Coverage SEP
- Transitioning to **Medicare**:
 - “Exceptional Conditions” SEP for Termination of Medicaid Eligibility (Form CMS-10797)
- Transitioning to **employer coverage**:
 - Special Enrollment Rights for employees and dependents that lose Medicaid/CHIP coverage

Transitioning to Private Health Care Coverage

- HIV medications must be covered in a non-discriminatory way
 - Pay attention to formulary adequacy – exclusions, utilization management, high tiering
- Issuers must accept premium and cost-sharing payments from Ryan White HIV/AIDS Program recipients and subrecipients
 - 45 CFR § 156.1250
- Issuers must allow enrollees to opt-out of mail order pharmacy
 - 45 CFR § 156.122
 - Issuers may charge different cost-sharing for brick-and-mortar v. mail order pharmacy, but must count all payments towards deductible/out-of-pocket max

Medicare Updates



Medicare:

Special Enrollment Period for Loss of Medicaid

- **Special Enrollment Period (SEP)** for individuals who lose Medicaid eligibility on or after Jan. 1, 2023
- Allows enrollment in Medicare without late enrollment penalty (LEP)
- Timing:
 - This SEP **starts** when the individual is notified of the loss of Medicaid coverage
 - The SEP **ends** 6 months after Medicaid ends
- If an individual lost Medicaid and enrolled in Medicare prior to Jan. 1, 2023, they can have their LEPs removed and receive reimbursement for prior LEPs

Extra Help Program: Part D Low- Income Subsidy (LIS)

- A federal program that helps individuals pay for some or most of the out-of-pocket costs associated with Medicare Part D prescription drug coverage.
- Individuals enrolled in an Medicare Savings Program (MSP) often qualify for Extra Help automatically.
- Enrolling in the Extra Help program will eliminate any Medicare Part D late enrollment penalties that an individual may have incurred.

New!

Expanded LIS

- **Extra Help Expansion**
 - Beginning Jan. 1, 2024, the Extra Help program is expanding the full subsidy to all eligible individuals with incomes below 150% FPL.
 - Individuals eligible for Extra Help are entitled to Part D plans with no premiums or deductibles, and modest co-pay amounts
- **Don't forget!**
 - Insulin is now available in Part D plans without a deductible for \$35 per month.
 - Vaccines recommended by the Advisory Committee on Immunization Practices are available without cost-sharing.
 - Part D cost-sharing is capped

New! Expanded Behavioral Health Under Medicare

- New benefit category: intensive outpatient program (IOP) services
 - Intermediate level of care between traditional outpatient therapy and hospital-level care
 - Can be provided in: hospital outpatient departments, community mental health clinics, rural health clinics, federally qualified health centers (FQHCs), and opioid treatment programs (OTPs)
- Mental Health Counselors, Marriage and Family Therapists can enroll as Medicare Part B providers
- Medicare Advantage plan changes
 - Network adequacy requirements extended to additional mental health professionals
 - Prior authorization prohibited for emergency behavioral health
 - Plans must provide care coordination programs to advance whole-person care

ACE TA Center Tax Filing and Enrollment Resources





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.



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

Tax filing resources for RWHAP direct service providers




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](#) ▾



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


TargetHIV NEWS EVENTS LIBRARY

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

Login to Bookmark

February 23, 2022
ACE TA Center

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

Taxes and Health Coverage consumer resource

Taxes and Health Coverage

What you need to know if you enrolled through the Health Insurance Marketplace

Taxes may not be fun, but they play an important role in helping make your health coverage more affordable. This fact sheet helps you understand what you need to know about filing your taxes if you enrolled in a health plan via the Health Insurance Marketplace, such as HealthCare.gov or your state's marketplace website.

Did you choose to get a premium tax credit when you enrolled in coverage?

Premium tax credits help lower the cost of coverage purchased through the federal Health Insurance Marketplace or state marketplace for people with qualifying incomes. **Premiums** are the monthly bill you pay for health insurance. The premium tax credit can work in two ways:

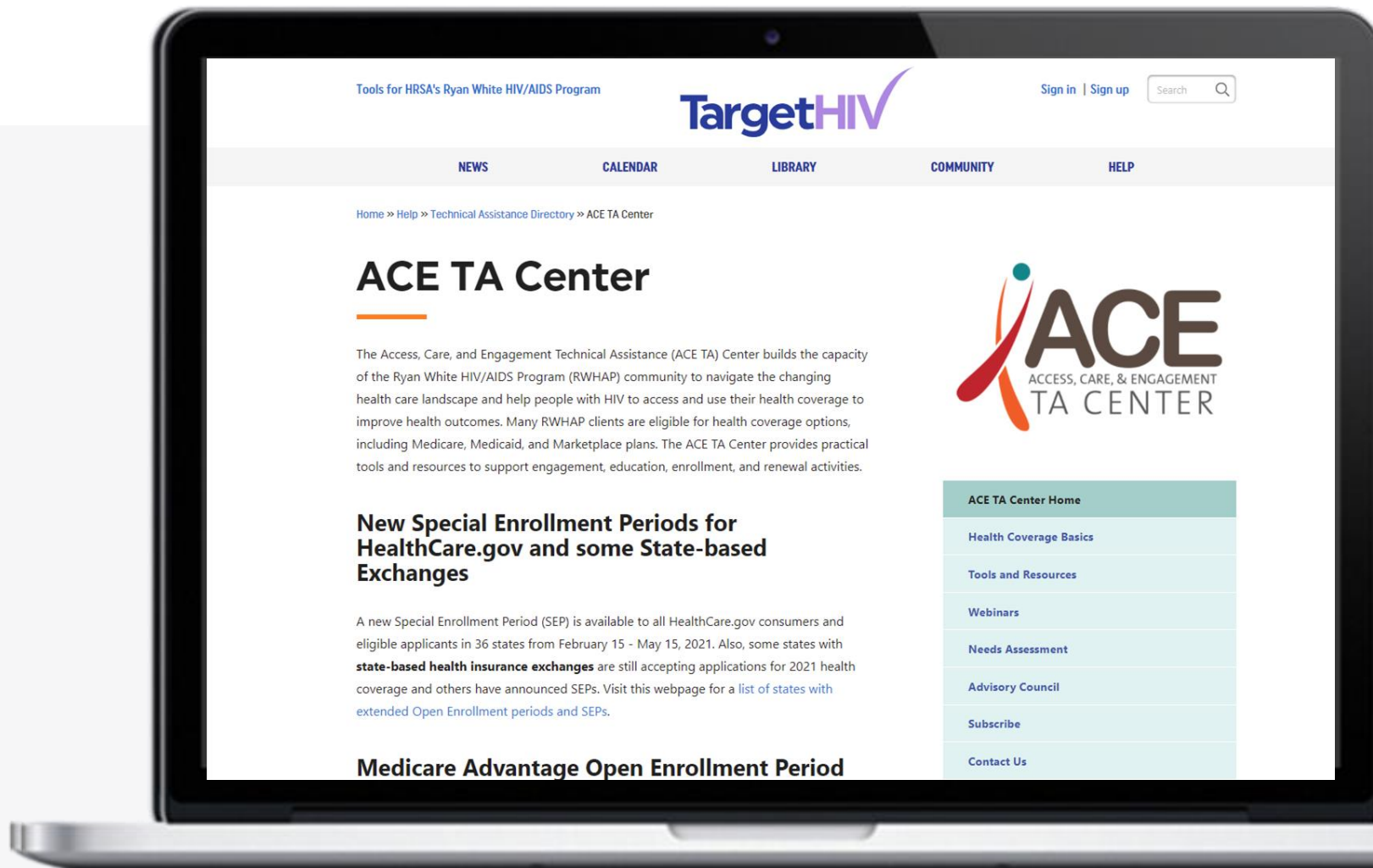
- **Get it now.** Get the credit each month you have Marketplace coverage. This is called an **advance premium tax credit**. The Marketplace sends the money directly to your health insurance company, and you pay a lower monthly premium.
- **Get it later.** You pay the total premium every month, but you get a refund on your taxes after the calendar year is over.



External tax filing assistance

- **Volunteer Income Tax Assistance (VITA)**
 - People who make **\$64,000 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 **\$79,000 or less**
 - May be able to assist with state taxes

Visit us at
targethiv.org/ace



Questions?

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