



Marketplace Redetermination and Plan Renewal Process for 2015 What Advocates Need to Know and Can Do To Help

Between October 1 and November 15 2014, the Affordable Care Act (ACA)'s Health Insurance Marketplaces will conduct their first annual eligibility redetermination and plan renewal process.¹

Redeterminations are the process through which consumers will have their eligibility reviewed and their financial assistance (advanced premium tax credits (APTCs) and cost-sharing reductions (CSRs)) re-calculated. **Renewals** are the process through which insurers will automatically re-enroll consumers in their current qualified health plan (QHP), or if the plan is being discontinued, into a "most similar" plan.² The redetermination and plan renewal processes have the potential to affect the ability of consumers to retain their coverage, as well as to maintain the quality and affordability of their coverage. Therefore, it is critical that advocates and coalition partners understand the basics of these processes.

Information provided in this fact sheet applies only to Federally-facilitated Marketplaces (FFMs) and Partnership Marketplaces. State-based Marketplaces may conduct their own redetermination and renewals process, and may issue their own notices.³

What advocates need to know about the redetermination process

Although consumers can continue to be enrolled in their 2014 plan without having to re-apply, they should contact the Marketplace to ensure they continue to receive financial assistance.

The redetermination process begins with the Marketplace comparing tax data received from the IRS to the information the consumer reported to the Marketplace during enrollment, but only from consumers who authorized the collection during enrollment.⁴ If consumers have not provided this authorization, but are receiving APTC and/or CSRs, their financial assistance will end on December 31, 2014.

In addition to authorizing the collection of tax data from the IRS, consumers should also request a redetermination from the Marketplace to ensure they continue to receive financial assistance that accurately reflects their level of need. If they do not request a redetermination, they will continue to receive their 2014 APTCs and CSRs, which may be lower or higher than the amount they are eligible to receive. Therefore, it is important that consumers contact the Marketplace to both authorize the collection of their tax information as well as request a redetermination to update their information.

Between October 1 and November 15, 2014, Marketplaces will send notices to currently-enrolled consumers to inform them of the redetermination process.

Consumers will receive notices from the Marketplace that will notify them of the need to request a redetermination, and the effect on their financial assistance if they do not do so. The Marketplace notices will also contain:

- 1) A description of the redetermination and renewal processes

- 2) The dates of open enrollment
- 3) An explanation of the requirement to report changes affecting eligibility, and the timeframe and channels through which changes can be reported

In addition, individuals receiving APTCs will receive a description of the APTC reconciliation process.⁵

Consumers will receive special notices if the IRS does not provide tax data to the Marketplace, or if the tax data shows income that makes them ineligible to receive financial assistance (> 500 percent Federal Poverty Level (FPL)), or highly-likely to be ineligible for financial assistance (> 350 percent FPL, or an increase or decrease of more than 50 percent in total household income).

Consumers are required to report any change to their eligibility within 30 days of the change occurring.

If a consumer experiences any change in circumstances that may affect their eligibility, they are required to report that change to the Marketplace within 30 days of the change occurring.⁶ The types of events that may trigger this are – change in income, family size, household composition, the ability to obtain employer-sponsored coverage, and moving. If consumers report changes after 30 days of the change occurring, however, they will still receive an updated eligibility determination.⁷

One notable aspect of the change-reporting process is that the FFM may no longer accept the reporting of changes by mail. This change may pose a challenge for low-income or other vulnerable populations.

Even if consumers have not experienced a change that affects their eligibility, there are still beneficial reasons for them to contact the Marketplace.

Consumers may still benefit from requesting an eligibility redetermination even if they have not experienced a change in circumstances that affects their eligibility. They could receive higher APTCs due to changes in the benchmark silver-plan offered through the Marketplace, or the new 2015 Federal Poverty Guidelines.

Alternatively, if consumers had been receiving higher APTCs than they are eligible for, requesting an eligibility redetermination will help aid in the APTC reconciliation process that will occur when they file their taxes for 2014. Lastly, consumers may benefit from reviewing the plan options within the Marketplace to determine if a new plan is available that better meets their medical needs, or has a more robust network available to them.

What advocates need to know about the renewal process

Consumers will also receive notices from their insurance company regarding whether their plan will be renewed or discontinued within the Marketplace in 2015.

Insurers must provide notices to consumers informing them that their coverage will either be renewed or discontinued. If a consumer's QHP will **no longer be offered** through the Marketplace in 2015, the insurer will notify consumers of the different plan they will be enrolled in, unless they take action to switch plans themselves.

Renewal notices must contain information about the 2015 premium amount, including APTC amounts. In addition, they must provide information about any “significant” changes to a consumer’s coverage,⁸ information about other coverage options, and contact information for the insurer, Marketplace and in-person assistance services. Notices that the plan is discontinued must provide the above information, but must also provide benefit information about the new plan the consumer will be automatically enrolled in, as well as any changes to coverage that result from the re-enrollment.

The combination of the insurer notices and Marketplace notices may cause confusion for consumers, depending on the timing of when a consumer receives the notices and when they contact the Marketplace for an eligibility redetermination. If a consumer requests an eligibility redetermination after receiving a plan renewal notice, for example, the APTC amount contained in the renewal notice will no longer be accurate.

What advocates can do

The redetermination and plan renewal processes may affect the affordability, quality and retention of coverage, as well as cause consumer confusion. For these reasons, advocates should make sure consumers know:

- 1) the importance of contacting the Marketplace to update their information
- 2) that they will be receiving notices from both the Marketplace *and* their insurer
- 3) in-person assistance is available to help them review the notices they receive and the plan options available to them.

In addition, advocates can inform their coalition partners of any issues relating to the redetermination and renewal processes for the consumers in their community.

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¹ See regulations at 45 CFR 155.335(c) and (d) for more information.

² The final regulations do not define “most similar,” and give authority to the insurer to determine the most similar plan.

³ State-designed redetermination and renewal procedures must facilitate continued enrollment, include clear information to consumers (including any action necessary to obtain the most accurate redetermination), and provide adequate program integrity protections. Advocates in SBMs should check with their Marketplace or the government agency regulating the Marketplace to determine how their SBM is conducting redeterminations and renewals.

⁴ Each Marketplace application includes the opportunity to provide authorization to collect information from the IRS. Consumers can update their application at any time to provide this authorization.

⁵ There will be no reconciliation process of cost-sharing reductions.

⁶ See *Annual Eligibility Redeterminations for Exchange Participation and Insurance Affordability Programs; Health Insurance Issuer Standards Under the Affordable Care Act, Including Standards Related to Exchanges*; Final Rule, September 5, 2014.

⁷ See *Form and Manner of Notices When Discontinuing or Renewing a Product in the Group or Individual Market*; Centers for Medicare and Medicaid Services, Center for Consumer Information and Insurance Oversight, September 2, 2014.

⁸ “Significant” changes include changes to deductibles, cost sharing, metal level, benefits, eligibility and provider network.