

Failure to File Taxes and/or Reconcile APTC

September 15, 2015



Regulations



To be eligible for APTC or income-based CSR, a tax filer in a household requesting financial assistance must:

- 1) Indicate that he/she:
 - expects to file taxes for the current benefit year,
 - will file taxes jointly if married,
 - and claim as a tax dependent any individuals indicated as a tax dependent in their application; and
- 2) Have filed taxes for a previous benefit year and reconciled APTC, if any members of the tax household received APTC in previous benefit year.

Citations: 45 CFR 155.300, 155.305(f)(4), 155.320(c)(3); 26 USC 6011, 6012

IRS tax filing status and APTC reconciliation data for 2014 tax filings will be first available for use with 2016 enrollments for renewals and new applicants

- As part of Federal Data Services Hub (FDSH) income check, the IRS will return an indicator for a tax filer:
 - Who failed to comply with requirement to file a tax return and/or reconcile APTC, if APTC was previously paid for the individual or a member of his/her tax household in 2014

Citations: <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/annual-redeterminations-for-coverage-42215.pdf>; <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Guidance-on-annual-redet-option-2015-6-26-14.pdf>

2016 Open Enrollment and Plan Renewals

Auto Renewals

- Reminder messaging sent via email pre-renewal and in renewal paper notices
- QHP 2016 renewal to execute without considering the “APTC Reconciled” flag from FDSH/IRS
- In 2016 will send IRS Bulk Service request to receive most current information on “APTC Reconciled” flag
 - Will identify individuals receiving 2016 APTC but have FTF IRS flag

- If consumer did not meet filing/reconciliation requirement as indicated by FTF flag, APTC/CSR will be removed from enrollment
 - Updated 834 will be sent to carrier to communicate change in enrollment
 - Consumer will receive notice of new eligibility determination without APTC/CSR and effective date

New Enrollments in 2016

- Will use IRS Bulk Service Request to identify applicants who received APTC for 2016 but 2014 FTF flag indicated
 - New 2016 Applicants should only be affected if they'd enrolled at any time during 2014 and received APTC/CSR but were not enrolled in coverage at end of 2015 for auto-renewal
- Same notification and redetermination process will occur for this group as the 2016 auto-renewal group