

Application Spotlight: Employer-Sponsored Coverage

November 2017



Agenda

1. Verification
2. Advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSRs)
3. Affordable employer-sponsored coverage
4. Minimum value standard
5. Enrollment
6. Cost of premium for employer-sponsored coverage
7. COBRA and the Marketplace
8. COBRA and retiree coverage
9. Losing employer coverage
10. Resources

Intended Audience

- Please be advised that the information in this presentation is informal, technical assistance for assisters and is not intended as official CMS guidance or a statement of the law. Legal requirements are contained in the applicable statutes and regulations.
- This presentation highlights how assisters can help consumers enrolling in the Health Insurance Marketplace answer questions regarding employer-sponsored coverage and provide guidance for consumers who have Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and retiree coverage.

*When used in this document, the term “Health Insurance Marketplace” or “Marketplace” refers to Federally-facilitated Marketplaces (FFMs), including FFMs where states perform plan management functions and State-based Marketplaces on the Federal Platform (SBM-FPs).

Brainstorming

1. How often do you assist consumers with employer-sponsored coverage (ESC)?
2. What is your comfort level with this topic?
 - A. Inexperienced
 - B. Some experience
 - C. A lot of experience

Verification

- When assisting consumers applying for Marketplace coverage and insurance affordability programs, you should remind them to use the [Employer Coverage Tool](#) to provide valid information regarding their access to employer-sponsored coverage (ESC).
- The Marketplace will compare the information consumers provide against trusted data sources.

Employee benefits
Employee benefits are provided to employees in salaries. In instances where wages for some other form as a 'salary sacrifice' or 's

APTC and CSR

- Advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSR) are available to support the purchase of qualified health plan (QHP) coverage through the Marketplace by helping to reduce an eligible consumer's premium and cost-sharing obligations, respectively .
- If consumers are currently enrolled in employer-sponsored coverage or are eligible for employer-sponsored coverage that is **affordable** and provides **minimum value** , they are not eligible for APTC and CSR.

Brainstorming

1. Do consumers understand the concept of minimum value? Y/N
2. How do you explain this to consumers in an understandable way?

Affordable Employer-sponsored Coverage

- Affordability is calculated by comparing the employee's share of the annual premium for **self-only coverage** under ESC to the employee's annual household income.
- To be deemed affordable in **2017**, the employee's share of the annual premium for self-only coverage must not be more than **9.69%** of annual household income. For plan years beginning in **2018**, ESC will be considered affordable if the employee's required contribution for self-only coverage does not exceed **9.56%** of annual household income.
 - The plan used to define affordability is the lowest priced self-only plan the employer offers, meaning a plan covering **only** the employee, not dependents. This is true even if a consumer is enrolled in a plan that costs more or covers dependents.
 - The cost is **the amount the employee would pay** for the insurance, not the plan's total premium.
 - The employee's **total household income** is used. Total household income includes income from everybody in the household who's required to file a tax return.

Knowledge Check

Affordability is determined by the lowest cost of a premium for everyone in the family to be covered.

True or False

Knowledge Check Answer

Affordability is determined by the lowest cost of a premium for everyone in the family to be covered.

True or **False**

Affordability is determined using the lowest-cost premium for self-only coverage. The cost for a family to enroll is not considered.

Minimum Value

- An eligible employer-sponsored plan provides minimum value only if the plan's share of the total allowed costs of benefits under the plan is at least 60%.
 - Benefits must include substantial coverage of physician and inpatient hospital services.
 - This percentage is based on actuarial principles using benefits provided to a standard population and is not based on what consumers actually pay for cost-sharing.

Minimum Value (Continued)



Consumers can ask their employer for help determining if the plan offered meets the minimum value standard by:

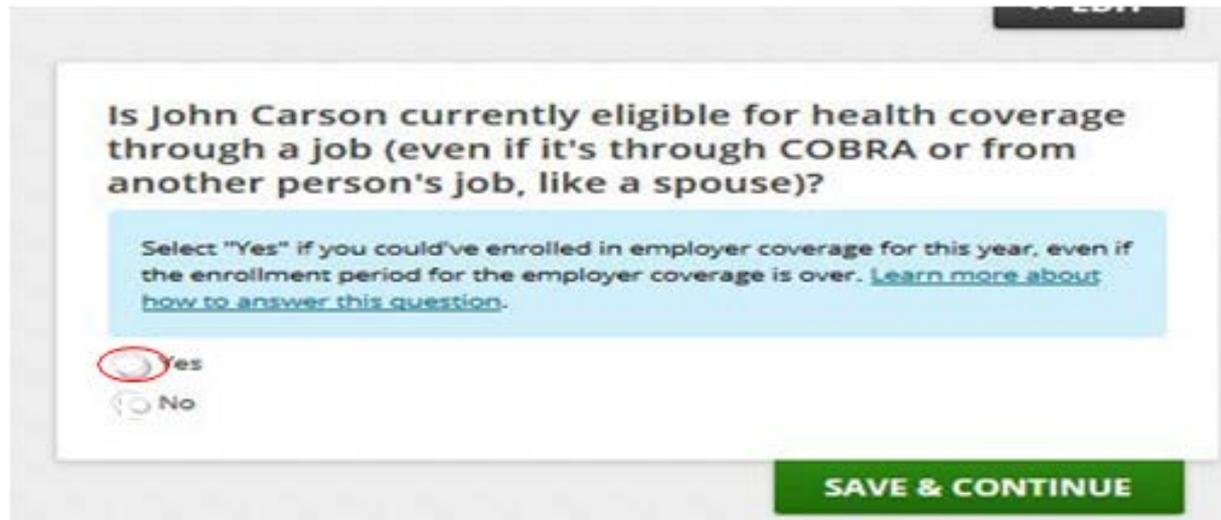
- Asking their employer to fill out the [Employer Coverage Tool](#).
- Obtaining a copy of a plans' Summary of Benefits and Coverage.

Brainstorming Questions

1. Do consumers experience challenges getting the employer coverage tool completed? Yes/No
2. What best practice tip do you use to advise consumers?

Enrollment

- Consumers who can enroll in health coverage through their employer for 2017, but the enrollment period for the employer-sponsored coverage is closed still need to select “Yes” to the question shown in the screenshot below.
- This includes coverage through COBRA or another person’s employer, like a spouse.



Is John Carson currently eligible for health coverage through a job (even if it's through COBRA or from another person's job, like a spouse)?

Select "Yes" if you could've enrolled in employer coverage for this year, even if the enrollment period for the employer coverage is over. [Learn more about how to answer this question.](#)

Yes
 No

SAVE & CONTINUE

Enrollment (Continued)

- Additional questions in this section of the application collect information to identify coverage the consumer is eligible for in order to determine if the coverage disqualifies the consumer from eligibility for APTC.
 - These questions include: information about the employee, information about the employer, whether the plan offered provides minimum value, the cost to cover only the employee under the plan, and other information.

Cost of Premium for Employer-sponsored Coverage

- Consumers can use the [Employer Coverage Tool](#) to obtain information about whether the employer offers plans that meet the minimum value standard and whether the premium amount for ESC is affordable.
- If a consumer is eligible for health coverage through someone else's employer, he or she should answer the question about how much the coverage would cost by providing the amount the employee would pay for a plan that would only cover the employee.

Cost of Premium for Employer-Sponsored Coverage (Continued)

In this example, John Carson is eligible for coverage through his employer.

GET STARTED

FAMILY & HOUSEHOLD

INCOME

4 ADDITIONAL INFORMATION

1 John Carson

2 Other questions

5 REVIEW & SIGN

Is John Carson currently eligible for health coverage through a job (even if it's through COBRA or from another person's job, like a spouse)?

Select "Yes" if you could've enrolled in employer coverage for this year, even if the enrollment period for the employer coverage is over. [Learn more about how to answer this question.](#)

Yes

No

^ EDIT

Tell us which employer(s) offer(s) health coverage to John Carson:

Check the box next to each employer that offers coverage. Include any coverage available through your job, or a spouse or parent/ guardian's job.

employer EDIT

Employer Identification Number (EIN) optional

XX-XXXXXX

Street address optional Suite number optional

City optional State optional ZIP code optional

Cost of Premium for Employer-Sponsored Coverage (Continued)

- ✓ GET STARTED
- ✓ FAMILY & HOUSEHOLD
- ✓ INCOME
- 4 ADDITIONAL INFORMATION
 - 1 John Carson
 - 2 Jane Carson
 - 3 Other questions
- REVIEW & SIGN

Tell us about xyz's health coverage.

First, print out and take the [Employer Coverage Tool](#) to xyz to collect the information you need for this section to fill out the application. Instructions on the Employer Coverage Tool provide a step-by-step guide for using the tool to answer the questions in this section.

Does xyz offer a health plan that meets the minimum value standard?

- Yes
- No
- I don't know

For the lowest-cost plan available only to John Carson that meets the minimum value standard:

Most health plans offered by employers meet the minimum value standard. Only tell us about self-only plans offered to this employee. [\[Learn more about how to answer this question\]](#)

How much is the premium for this plan?

If the employer offers wellness programs, enter the premium the employee would pay if the employee got the maximum amount of any tobacco cessation programs and didn't get any other benefits based on wellness programs.

I don't know

How often would the employee pay this amount?

John should still enter the amount that the employee would pay for the lowest cost plan that would only cover him, as well as how often a payment is made.

Cost of Premium for Employer-Sponsored Coverage (Continued)

- When determining eligibility for APTC, the employee-only cost of self-only coverage is what matters, even if the employee isn't asking for the tax credit for themselves.
- The law specifies that the cost of coverage for other family members does not determine whether the coverage offered is affordable for the family, so the consumer won't need to enter the cost of family coverage anywhere on the application.



COBRA and the Marketplace

- When a consumer leaves a job, federal law provides that he or she may be able to keep employer-sponsored health coverage for a period of time, usually up to 18 months. This is called **COBRA continuation coverage**.
- **During** the Open Enrollment period and any applicable special enrollment period (SEP), consumers can voluntarily drop their COBRA coverage and enroll in coverage through the Marketplace instead, even if their COBRA coverage hasn't run out.
- Consumers **cannot** voluntarily drop their COBRA coverage for Marketplace coverage **outside** of the Open Enrollment period to become eligible for an SEP based on loss of minimum essential coverage. These consumers will have to wait until the next Open Enrollment period or qualify for another SEP to enroll in a Marketplace plan.

COBRA and the Marketplace (Continued)

- If a consumer's COBRA coverage is expiring outside Open Enrollment, he or she qualifies for an SEP, enabling him or her to enroll in Marketplace coverage, if otherwise qualified .
- However, consumers will qualify for an SEP to enroll in Marketplace coverage if their former employer stops contributing to the cost of their COBRA coverage and the consumer must pay full cost.
- COBRA continuation coverage qualifies as minimum essential coverage. If a consumer has COBRA coverage, he or she doesn't have to pay the individual shared responsibility payment consumers without coverage may have to pay.

Knowledge Check

I can voluntarily end COBRA at any time to get an SEP to enroll in a Marketplace Plan.

True or False

Knowledge Check Answer

I can voluntarily end COBRA at any time and enroll in a Marketplace Plan.

True or **False**

During Open Enrollment, a consumer can end COBRA coverage and enroll in a Marketplace plan, if otherwise qualified. However, in most cases, outside of Open Enrollment a consumer cannot voluntarily end COBRA coverage and enroll in a Marketplace plan. Exceptions apply if their former employer(s) stops contributing to COBRA coverage and the employee must pay the full costs of the coverage.

COBRA and Retiree Coverage

- A consumer is not eligible for APTC or CSRs if he or she is enrolled in COBRA or retiree coverage.
- A consumer who has an offer of COBRA or retiree coverage but has not enrolled may still be eligible for APTC or CSRs. The availability of COBRA and retiree coverage does not prevent a former employee from qualifying for APTC or CSRs. The minimum value and affordability standards do not apply to current employees with COBRA and retiree coverage.
 - The Marketplace application skips questions related to affordability and minimum value if a consumer attests to having access to COBRA or retiree coverage.

Indicating COBRA Coverage

Application ID: 123145678

- ✓ GET STARTED
- ✓ FAMILY & HOUSEHOLD
- ✓ INCOME
- ➊ ADDITIONAL INFORMATION

- 1 John Carson**
- 2 Jane Carson
- 3 Other questions

Is John Carson currently enrolled in xyz's health coverage?

Yes
 No

Is John Carson a current or former employee of this employer?

Yes
 No

What's John Carson's current work status at xyz? (Select one.)

No longer working at this emplo. *

Is the coverage from xyz COBRA coverage?

[Learn more about COBRA coverage.](#)

Yes
 No

Other

SAVE & CONTINUE

To indicate that a consumer's ESC is COBRA, a consumer would make the noted selections.

Indicating Retiree Coverage

Is John Carson a current or former employee of this employer?

Yes
 No

What's John Carson's current work status at employer? (Select one.)

Retired

Is John Carson's coverage from employer a retiree health plan?

Yes
 No

Other

SAVE & CONTINUE

To indicate that a consumer's ESC is retiree coverage, an individual would make the noted selections.

Losing Employer Coverage

- Consumers who lose employer sponsored coverage (ESC) generally qualify for an SEP due to loss of minimum essential coverage (MEC).
- If a spouse or dependent loses ESC through a family member's employer, the spouse or dependent also may be eligible for an SEP.
- For more information, see:
 - www.healthcare.gov/how-can-i-get-coverage-outside-of-open-enrollment
 - <https://marketplace.cms.gov/technical-assistance-resources/assisting-consumers-losing-coverage.pdf>

Brainstorming Question

1. What is a key take away that you've learned from this presentation?
2. What would you like more information about?

Resources

- For more information on ESC, visit:
 - www.healthcare.gov/have-job-based-coverage/
- For more information on COBRA, visit:
 - <https://www.healthcare.gov/unemployed/cobra-coverage/>
- For more resources from the Internal Revenue Service (IRS), visit:
 - www.irs.gov/Affordable-Care-Act