



Complex Case Role Play: Income Data Matching Issues

This scenario reviews how to help consumers resolve income data matching issues by highlighting some of the challenges that may arise and providing helpful tips for working with consumers as they respond to these notices from the Marketplace.

Scenario

- ☞ Roxanne was covered on her parent's employer-based health insurance and turned 26 about a month ago. She lives in New Jersey, a state that has expanded Medicaid.
- ☞ Roxanne enrolled in a Marketplace¹ plan with advanced payments of the premium tax credit (APTC) through the loss of minimum essential coverage (MEC) Special Enrollment Period (SEP). She was able to have her loss of MEC SEP eligibility verified by uploading documentation from her parent's employer's health plan showing that she had aged out of their plan. Her Marketplace insurance is effective as of July 1, 2017.
- ☞ As a self-employed musician, Roxanne thinks she will earn \$18,000 in 2017 by performing on weekends with her band and providing guitar lessons. She is typically paid with cash and checks.
- ☞ Roxanne used this projected income to estimate her income for 2017 on her Marketplace application. While she did receive notification that she was eligible for APTC, her eligibility determination notice contained additional details for information that she needed to verify her annual income within 90 days of the data matching issue (DMI) expiration. Roxanne has come to speak with Mary, an Assister², about what she has to do to make sure she is enrolled in coverage and keeps her tax credit. She has sent in her binder payment.

Script

Scene 1

Mary: Good morning, how are you today?

Roxanne: Hello! I'm good thanks.

Mary: Good! My name is Mary, and I am here to assist you with completing a Marketplace application or to answer any questions you may have regarding the Marketplace. So, what brings you in today?

Roxanne: Hi, I'm Roxanne. Last month was my 26th birthday. My insurance coverage ended because I was on my parents' policy. My mom told me it would be ending so I completed the Marketplace application online myself. I uploaded a copy of the insurance termination letter my mom gave me and even sent in the payment. Then, last week I received a letter from the Marketplace saying something

¹ The term Marketplace in this document refers to the Federally-facilitated Marketplace (FFM).

² A Navigator, non-Navigator assistance personnel, or certified application counselor (CAC) in an FFM.



about proving my income. I thought the whole process was over since my check was cashed. What does this letter mean?

Mary: Did you bring a copy of the letter with you today?

Roxanne: I think so; let me check my backpack.

Mary: It's okay if you don't have the physical letter with you. As long as you know your Marketplace account information, we can access your letter from your account. Please write your full name along with your user name and password down on this piece of paper so I can access your account.

Roxanne: I found the letter. Here you go.

Mary: Thank you. This letter is verifying that the enrollment was completed and states the amount of premium due. Your Marketplace insurance is effective as of July 1, 2017. The notice also mentions an income DMI, or data matching issue. This DMI was generated because your reported income could not be verified by the Marketplace. You have 90 days from the date of this notice to provide acceptable proof of your income to the Marketplace.

Narrator Break

How could this interaction between the assister and Roxanne be handled better? What should the assister have said instead? Is there anything that the assister did well?

What could have been done better?

☞ Possible violations of CMS regulations, policy, and/or FFM assister privacy and security standards

- The assister offered to access the consumer's account rather than offering to help the consumer access it.
- The assister requested that personally identifiable information (PII) – consumer's full name, username, and password – be written down on a piece of paper without indicating that the paper would be destroyed or kept securely after it was used.
- The assister didn't provide consumer with an explanation of her role as an assister or obtain the consumer's authorization to access PII. Before providing assister services to a consumer for the first time, you should explain to the consumer your role as an assister and the privacy and security practices that you will follow to ensure that the consumer's information is kept private and secure. Once you have discussed this with the consumer, you must obtain the consumer's authorization to access his or her PII prior to accessing any PII.
- The assister said that the letter contained information about a DMI but did not explain it in plain language to clarify what a DMI actually is and what the implications are.
- The assister said the consumer has 90 days from the date of the notice to provide acceptable proof of income to the Marketplace. This answer is not complete; the assister should clarify that the consumer has 90 days to provide acceptable proof AND to resolve the DMI.



What questions should be asked at this point?

- ☞ What is the consumer's source of income (employer, self-employed, SSA benefits, etc.)?
- ☞ How does the consumer document her income if she is self-employed?
- ☞ How often is the consumer paid if she receives income?
- ☞ Has she filed taxes during the previous year or does she intend on filing taxes this coming year?

Scene 2

Mary: Are you currently working?

Roxanne: Yes, I work gigs on the weekend at a few local bars around town and I also give guitar lessons.

Mary: Would you be considered an employee of these bars or are you self-employed? In other words, are you paid by cash or does your employer provide you with a paycheck with a paystub?

Roxanne: I'm self-employed. I receive cash from the bars and personal checks sometimes from the lessons and I keep a ledger of all my earnings.

Mary: Great, you keep a ledger. You can submit a copy of your ledger as proof of your income.

Roxanne: Is that all I need to do?

Mary: Did you file taxes in 2016?

Roxanne: Yes, I filed last year and will be filing this year. This year, I think I will be making more money. I made about \$8,000 last year but I am on track to make \$18,000 this year.

Narrator Break

What prompted the DMI?

- ☞ Income DMI – Roxanne's projected self-employment income of \$18,000 this year is significantly higher than last year's income but the Internal Revenue Service (IRS) couldn't verify the self-employment income, which prompted the DMI.
 - Overestimation of income doesn't automatically trigger a DMI. The income the consumer reports in her application may trigger a DMI if it is 25% more than the income shown in the Marketplace's data sources such as the IRS, Social Security Administration (SSA), or Equifax.
 - An annual household income DMI will give Roxanne 90 days from the date of the DMI letter to send documentation that confirms her projected income listed on her application. If the Marketplace can't verify her expected annual household income within the 90-day window, Roxanne may lose some or all of her financial help, including APTCs and any cost-sharing reductions she may be receiving.
 - The Marketplace will make several attempts to reach the consumer through notices, phone calls, and emails depending on the communication preferences selected by the consumer.



What types of documents should the assister tell Roxanne to provide to the Marketplace in order to satisfy the income DMI notice?

- ☞ Roxanne should provide documentation to prove the amount of her projected income listed on the application within 90 days of submitting the application. Some examples of acceptable self-employment documentation include:
 - 1040 Schedule C
 - Most recent quarterly or year-to-date profit and loss statement
 - Self-employment ledger

The submitted document(s) must contain the consumer's first and last name, company name (if applicable), and income amount. If submitting a self-employment ledger, the consumer should include dates covered by the ledger and the net income from profit/loss.

- ☞ If the consumer's income still does not match within a certain threshold against IRS verification services, another DMI will be generated. If that happens, the consumer would need to send documents in again to resolve the DMI by the new due date.
- ☞ If any of the income information on the application does not match the IRS information, the application will need to be updated with changes. This will prompt new "eligibility results." Roxanne should finish all the steps on the "To-Do List" to complete the update or complete a new enrollment if she qualifies to change plans through an SEP.

What are the consequences if the DMI is not rectified?

- ☞ The Marketplace will adjust Roxanne's eligibility for financial assistance, including APTC and cost-sharing reductions. Her eligibility for financial assistance might end altogether or she might be determined eligible for less financial assistance. If Roxanne is determined eligible for less APTC, she'll be responsible for a higher premium amount but she might qualify for a higher premium tax credit (PTC) at the end of the year on her taxes, depending on her actual eligibility information for the year.

What closing advice would you provide Roxanne before ending your conversation?

- ☞ Remind her of the timeframe to submit documentation to resolve the DMI.
- ☞ Describe acceptable forms of income verifications to submit.
- ☞ Remind her where and how to submit income DMI documentation.
- ☞ Provide her with information about how to reconcile APTC.
- ☞ It's still a best practice to make sure Roxanne understands that if she gets APTC this year, she **WILL HAVE TO FILE TAXES** in order to reconcile her APTC. This is something an assister should make sure Roxanne understands.



Scene 3

Mary: I just have a few things to point out before you leave today.

Roxanne: Ok.

Mary: As soon as possible, upload or mail in a copy of your self-employment ledger. If you need assistance with that, you can always bring your documents into the office and a Navigator here can assist you with uploading any information needed. Remember, you only have 90 days from the date to submit the proof and resolve the DMI. Make sure that you file taxes next year because, if you receive APTC this year, you will need to reconcile your APTC.

Roxanne: What do you mean by reconcile my APTC?

Mary: Reconciliation is how you find out if the Marketplace provided you the right amount of PTC during the year. To reconcile, you compare two amounts: the PTC you used in advance during the year and the amount of tax credit you qualify for based on your final annual household income and other eligibility information (like family size). You'll use IRS Form 8962 to do this. If the Marketplace paid your insurance company more PTC than you qualify for, you'll pay the difference with your federal taxes. If the Marketplace paid less, you'll get the difference as a refundable credit.

Roxanne: Ok, I think I can handle that. I'll try to get this done today.

Mary: Remember, you could lose part of or all of the financial help you receive, like PTCs and cost-sharing reductions, if you don't upload or mail the proof of income and resolve the DMI within 90 days of this letter.

Roxanne: Got it! Thank you for all your help.

Mary: You're welcome! It's my pleasure. Have a good day!

Narrator: Great!

How about a round of applause for our actors today.



Tips and Resources

- ☞ When assisting consumers who qualify for APTCs, make sure to remind them that they **MUST** file and reconcile their taxes even if they typically do not file taxes. Also mention to the consumer that they will receive a 1095-A form at the end of the year.
- ☞ When working with consumers who are self-employed, encourage them to track their income in a detailed self-employment ledger.
- ☞ 5 tips to fix a data matching issue:
 - **Act quickly.** Consumers usually have 90 days to resolve a DMI before their health coverage and financial help could change or end.
 - **Gather the right documents.** The consumer's notice will [list the documents](#) he or she can submit to fix a data matching issue.
 - **Submit documents.** Consumers can upload documents in two ways — by [uploading them online](#) or by [mailing a copy](#). Uploading is the fastest way to get them to the Marketplace.
 - **Avoid reduction or loss of APTC.** If consumers don't provide the documents by the deadline in their notice, they could lose part of or all of their APTC and any cost-sharing reductions they may be receiving resulting in increased payments.
 - **Wait to hear it's been resolved.** If they've already submitted documents, they don't need to send them again. The Marketplace will send them a notice (usually around a month after the Marketplace receives their documents) to let them know whether their DMI was resolved or if the Marketplace still needs more information.
- ☞ Application and Enrollment Assistance: <https://marketplace.cms.gov/technical-assistance-resources/dos-and-donts-application-and-enrollment.pdf>
- ☞ FFM assister privacy and security standards: <https://marketplace.cms.gov/technical-assistance-resources/consumer-authorization-and-handling-pii.pdf>
- ☞ DMI: <https://marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf>
- ☞ Resolving DMIs: <https://marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf>
- ☞ DMI blog: <https://www.healthcare.gov/blog/health-insurance-data-matching/>
- ☞ Self-employment: <https://marketplace.cms.gov/outreach-and-education/what-counts-as-income.pdf>
- ☞ Income: <https://marketplace.cms.gov/technical-assistance-resources/income-resource-chart.pdf>
- ☞ SEPs for the Health Insurance Marketplace factsheet: <https://marketplace.cms.gov/outreach-and-education/special-enrollment-periods-for-marketplace.pdf>
- ☞ Reconcile APTC: <https://www.healthcare.gov/glossary/reconcile/>