November 18, 2020

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CSG-202011
1. Marketplace application Family & Household Composition section
2. Tax households and the Marketplace
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 the Family and Household Composition section of the Marketplace application and understand tax households.

*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 using the Federal Platform (SBM- FPs).

® Health Insurance Marketplace is a registered service mark of HHS.
1. How often do you assist consumers with completing the Family and Household Composition section of the Marketplace application?

2. What is your comfort level with this topic?
   A. Inexperienced
   B. Somewhat experienced
   C. Very experienced
Meet Marcus and Tia

- This walk-through features Marcus and Tia, a married couple, living together in Delaware.
- Marcus and Tia are new to the Marketplace. Since they haven’t applied for Marketplace coverage before, they’ll need to create an account at HealthCare.gov and verify their identity.
- Marcus creates a Marketplace account and verifies his identity.
- Marcus is applying on behalf of the household where he will indicate where he is seeking coverage and for what plan year.
Marcus will see an overview of those for whom he can apply for coverage and what information he may need to complete the application.

After reviewing the information on this page, he’ll select the green **Next** button to proceed to complete identity proofing.
Family and Household Composition:
Confirm Identity Verification

- After completing identity proofing, the next page will confirm that Marcus’s identity has been verified.

- It also provides additional information on Marketplace communications he should expect to receive and reviews the Marketplace privacy policy.

- After Marcus has reviewed this information, he’ll agree to the two attestations at the bottom and select the green button to proceed to the application.
On this page, Marcus will answer several guiding questions about his household.

As a reminder, Marcus is applying for coverage for himself and his wife Tia. He and his wife file their taxes jointly each year and claim no tax dependents.

Since Marcus is seeking savings to reduce the cost of their Marketplace coverage, and since he and his wife make less than $71,000 each year, he’ll select the $71,000 or less option.

Yes will be automatically selected to see if he qualifies for help paying for coverage. He will confirm yes is selected so he will be asked extra questions regarding eligibility for savings.
Marcus will enter more information about himself.

He’ll make sure **yes** is selected for needing coverage for himself and then enter his name, date of birth, and sex.
Family and Household Application
Section: Home Address

- Marcus will enter the address in the state where he is applying for coverage. Note: This address cannot be a P.O. box.

- If consumers live outside the state where they’re applying for coverage, they will answer a few more questions to see if they’re still eligible for coverage in the state for which they’re applying.
Family and Household Application Section: Home Address and Mailing Address

Marcus will confirm his address, either selecting the USPS record or his original entry.

Then he’ll confirm whether the address he entered is also his mailing address.
Marcus will enter his contact information, including his email address and phone number.
Family and Household Application Section: Language and Contact Preferences

- Marcus’s preferred written and spoken language is English.
- Marcus will select “English” as his preferred spoken and written language.
- English is automatically populated on this page but consumers can select the drop-down menu to pick a different language.
- Marcus will confirm how he would like to get notices about his application.
- Notifications that new notices are in the account can be sent via email or text, or he can chose to receive print notices.
- In this case, Marcus prefers to get notifications of new notices by email.
- Some notices will also be sent by mail regardless of the notification preference selected.
Marcus can indicate if a professional or professionals are helping him complete his application.

- There are four types of professionals to choose from.
- Marcus will select **No**, then select **Save & continue**.
Marcus will add additional people who need coverage—including his wife Tia—by selecting the **Add a person who needs coverage** button.
Family and Household Application Section: Add a Person Who Needs Health Coverage

- Marcus will enter Tia’s first and last name, date of birth, and sex, and then indicate her relationship to him.
- Tia is Marcus’s spouse, but applicants have many different relationship options to choose from depending on their situation.
- If Marcus and Tia had dependents who also needed coverage, Marcus would select the **Add a person who needs health coverage** button again.
Before proceeding, Marcus should confirm he and his wife are listed as seeking coverage. If Marcus wants to learn more about removing members from this list, he can select the “Learn more” link.
Next, Marcus will confirm that he is married to Tia.
Next, Marcus will enter more information on the household’s federal income tax return.

- This information will be used to determine eligibility for savings, such as premium tax credits.
- Marcus and Tia will file a joint tax return this year.
- Marcus will also indicate that he will not claim any tax dependents and will not be claimed as a tax dependent on someone else's federal tax return.

We will discuss tax households and work through a complex case scenario later in this presentation.
On the next two pages, Marcus will confirm that he and Tia live together at the address he entered earlier in the application.
Next, since Marcus and Tia don’t have children and aren’t caretakers of any children, Marcus will select **None of these people are a child’s main caretaker**.
Family and Household Application
Section: Household Information

- Marcus will be asked if any of the situations listed apply to any of the people in his household.

- If none of the situations apply, Marcus will select **None of these apply to the people in the household**, then select **Save & continue** to proceed through the application.
If any of the situations do apply, Marcus will indicate this. His wife, Tia, is six months pregnant. Marcus will select **Is pregnant**, then select **Save & continue**.
On the next screen, Marcus indicates that his wife, Tia, is pregnant and expecting one baby.

He then selects **Save & continue**.
Completing the Family and Household Application Section

- After this question, Marcus will provide additional family and household information for Tia and himself, including:
  - Race (this information is not required and, if entered, will not impact eligibility for coverage, plan options, or costs in any way).
  - Social Security Numbers.
  - Citizenship and immigration status.
  - Disabilities and help with activities.
  - Medicaid or CHIP denial.
  - Help with medical bills.
  - Access to job-based coverage.
  - Life changes.

- After answering these questions, consumers will proceed through the rest of the application, review the information they entered, and submit the application.
Eligibility Results for Household with Pregnant Applicant

Results based on your application (ID 156277193) submitted on 06/22/2020. Follow these steps below to complete your enrollment. Learn more about your eligibility results.

Eligibility overview

To buy a Marketplace plan
For a premium tax credit of up to $241 each month for your tax household
For lower copayments, coinsurance, and deductibles (cost-sharing reductions) on Silver plans

Your eligibility is temporary: By September 20, you must submit documents to confirm some information. See your eligibility notice for details and deadlines.

Marcus Brown
Eligible

Tia Brown
May be eligible

For Medicaid
You’ll get a final decision from your state Medicaid agency.

Your eligibility is temporary: By September 25, you must submit documents to confirm some information. See your eligibility notice for details and deadlines.

After Marcus completes and submits the application, the Marketplace displays Marcus and Tia’s eligibility results.

- Marcus is eligible for Marketplace coverage with a premium tax credit and cost-sharing reductions.
- Tia may be eligible for Medicaid, and her state Medicaid agency will contact Tia if she needs to provide more information.
- The results also explain that both Marcus and Tia need to submit documents to confirm some information.
Marcus should then review his household’s eligibility notice.

The eligibility notice indicates that Tia may be eligible for coverage through Delaware Medicaid based on her monthly household income and pregnancy and that the Marketplace is forwarding her information to the Delaware Division of Medicaid and Medical Assistance – the state Medicaid agency – for a final eligibility determination.
Household with Pregnant Applicant: Enrollment Considerations

- Marcus can continue to enrollment to select and enroll in a Marketplace plan for himself.

- If Tia qualifies for Medicaid that counts as minimum essential coverage, she will not be eligible for financial assistance to help pay for premiums and out-of-pocket costs if she chooses to enroll in a Marketplace plan instead.

Next, we’ll discuss tax households, a topic consumers may need assisters to explain when completing the Family and Household Composition application section, and we’ll work through a complex case scenario.
1. Do consumers understand the concept of a tax household? Yes/No

2. How do you explain this to consumers in an understandable way?
Why a Tax Household Matters for Marketplace Applications

- To calculate eligibility for advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSRs), the Marketplace asks for each applicant’s tax filing status and who will be on their 2021 tax return.
  - Individuals who appear together on the same tax return are in the same tax household.
  - The number of people in the tax household is used to determine the household’s income as a percentage of the federal poverty level. This percentage is then used to determine eligibility for help paying for coverage.
  - Generally, consumers who are married and will file separately for the year they want coverage can enroll in a Marketplace plan together but are not eligible for APTC and CSRs.

- Only members of a single tax household can enroll using the same eligibility application when filing for financial assistance.
  - Financial assistance applicants in different tax households can select the same Marketplace plan, but they will be issued different policies and will have separate premium payments and deductibles.
Who to Include in a Tax Household

- **Tax household = Tax Filer + spouse + tax dependents**

- Individuals who appear together on the same tax return are in the same tax household.

- When determining their tax household, consumers should include:
  - Their spouse if legally married and filing jointly (unless a victim of domestic abuse or spousal abandonment, in which case they can file separately and indicate they are unmarried or if they are filing as head of household).
  - Anyone they plan to claim as a tax dependent for the year they want coverage, even if the dependent has their own tax filing requirement.
  - Their spouse and tax dependents even if they don’t need health coverage.

- When determining their tax household, consumers should not include:
  - Anyone in their household they don’t file a joint return with or claim as a tax dependent.
Who to Include in a Tax Household (Cont.)

- In some cases, the Marketplace may ask for information about other individuals a consumer lives with who are not part of their tax household. Sometimes this information is needed to correctly determine eligibility for free or low-cost coverage through Medicaid or CHIP. To ensure correct eligibility determinations, consumers should provide as much information as they are able.

- A current system limitation prevents family members in different tax households from enrolling in a plan together.

- Applicants who are not part of the same tax household should apply for Marketplace coverage separately.
  
  - Members of each application will be on their own policy, but can still select the same plan, if they choose to.

- To learn more about who is part of the same household, visit HealthCare.gov/income-and-household-information/household-size/
Separate Tax Household Applications

- Submit one application per tax household.
  - Need separate user accounts for each application
- For each tax household, list members of the tax household as applicants on only ONE application.
  - List the other household members as non-applicants on the application.
- If the household plans to file more than one tax return, you should remind them to submit separate applications for each tax household or call the Marketplace Call Center for help.
Assisting Consumers with Tax Households

- Confirm that the applicant is applying for help paying for coverage.
- Identify the people in the household and their plans for filing taxes for 2020.
  - Do you plan on filing a federal income tax return for 2020?
  - If married, do you plan to file jointly with your spouse?
  - Will you claim any dependents?
  - Does anyone who needs coverage in your household file taxes separately who you do not claim as a dependent?
- Remember that tax households [i.e., tax filer(s) and tax dependents)] should all be on one application together.
  - If an applicant is claimed (or could be claimed) on someone else’s tax return as a dependent, then they need to be on the application with their claiming tax filer. Tax dependents are not eligible for premium tax credits on their own, even if they file their own taxes.

**Important Reminder**: Applicants must agree to file federal income taxes in order to qualify for APTC for themselves or members of their tax household. If married, they also must file a tax return jointly with their spouse (unless a victim of domestic abuse or spousal abandonment or filing as head of household). Applicants who receive APTC but fail to file a tax return and reconcile APTC paid on their behalf are not eligible to receive APTC in future years. This issue is addressed in a separate presentation.
Households for Medicaid and CHIP Eligibility: Nonfiler Rules

- Nonfiler rules are used to determine the Medicaid and CHIP households of applicants who:
  - Will not file a return or be claimed as a dependent
  - Are claimed as a dependent but meet one of the following exceptions:
    - The claimer is not the dependent’s parent, OR
    - The dependent is a child (under state Medicaid rules) and lives with two parents or step-parents, but the parents won’t file jointly, OR
    - The dependent is a child and is claimed by a noncustodial parent

- Applicants who will not file taxes or be claimed as a dependent are ineligible for APTC
Households for Medicaid and CHIP Eligibility: Nonfiler Rules (Cont.)

- Normally, an applicant’s Medicaid and CHIP household is the same as their tax household. However, if one of the exceptions above is met, these rules apply instead:
  - If the applicant is 19* or older, their Medicaid household includes:
    - Applicant
    - Spouse (if living with applicant)
    - Sons and daughters under 19* (if living with applicant)
  - If the applicant is under 19*, their Medicaid household includes:
    - Applicant
    - Parents (if living with applicant)
    - Spouse (if living with applicant)
    - Sons and daughters under 19* (if living with applicant)
    - Siblings under 19* (if living with applicant)

*Note that some states opt to count 19- and 20-year-old full-time students as “children” for household composition purposes*
Knowledge Check

Members of the household who are part of a separate tax household do not need to be included on the household’s Marketplace application.

True or False
Members of the household who are part of a separate tax household do not need to be included on the household’s Marketplace application.

True or False

Applicants who live with other individuals who are part of a separate tax household may still need to be listed on the application as non-applicants. Sometimes this information is needed to correctly determine eligibility for free or low-cost coverage through Medicaid or CHIP.
Complex Case: Domestic Partners with Child

- Joe, Sue, and Timmy all live together.
- Joe is 34 years old, Sue is 32, and Timmy is 10.
- Joe and Sue are domestic partners, and Timmy is their son.
- Joe and Sue are not married and do not file taxes jointly.
- Joe will file taxes and won’t claim any dependents.
- Sue will file taxes and will claim Timmy on her tax return.
### Domestic Partners: APTC Household

Households for purposes of APTC eligibility are determined using tax household rules.

<table>
<thead>
<tr>
<th>Applicant</th>
<th>APTC Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe</td>
<td>Joe is single, filing a tax return, and not claiming any dependents.</td>
</tr>
<tr>
<td>Sue</td>
<td>Sue is single, filing a tax return, and claiming Timmy as a dependent.</td>
</tr>
<tr>
<td>Timmy</td>
<td>Timmy’s household is the household of his claimer (Sue).</td>
</tr>
</tbody>
</table>
# Domestic Partners: Medicaid and CHIP Household

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Medicaid and CHIP Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe</td>
<td>Joe is filing taxes and does not meet a nonfiler exception, so his Medicaid household will be determined using tax household rules.</td>
</tr>
<tr>
<td>Sue</td>
<td>Sue is filing taxes and does not meet a nonfiler exception, so her Medicaid household will be determined using tax household rules.</td>
</tr>
</tbody>
</table>
| Timmy     | • Timmy meets a nonfiler exception – he is under state Medicaid child age, living with both parents, and his parents won’t file jointly – so his Medicaid household will be determined using nonfiler rules.  
• Using nonfiler rules for applicants under state Medicaid child age, Timmy’s Medicaid and CHIP household includes himself and any parents who live with him (Joe and Sue). |

Knowing these households allows us to determine both **whose income counts** towards each household and **household size**.
Calculating Household Income for Timmy’s Program Eligibility Determination

- The Marketplace always checks eligibility for Medicaid first, then CHIP, then APTC and CSRs. If an applicant is eligible for Medicaid or CHIP, they won’t be eligible for APTC.
- Example: Georgia

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe</td>
<td>$20,000</td>
</tr>
<tr>
<td>Sue</td>
<td>$25,000</td>
</tr>
<tr>
<td>Timmy</td>
<td>$20,000 + $25,000 = $45,000, which is 207 percent of the federal poverty level (FPL) for a three-person household.</td>
</tr>
</tbody>
</table>

- Since the Medicaid threshold for children Timmy’s age in Georgia is 133 percent FPL, Timmy is not eligible for Medicaid.
- Since the CHIP threshold for children Timmy’s age in Georgia is 247 percent FPL, Timmy is eligible for CHIP.
- If Timmy’s Medicaid and CHIP household income had been too high to qualify him for Medicaid or CHIP, then the Marketplace would determine whether Timmy is eligible for APTC based on his tax household. Keep in mind that Timmy’s tax household is just Timmy and Sue.
Brainstorming

1. What is a key take away that you learned from this presentation?

2. What would you like more information about?
Resources

- HealthCare.gov/medicaid-chip/getting-medicaid-chip/
- HealthCare.gov/taxes-reconciling/
- HealthCare.gov/income-and-household-information/household-size/
- HealthCare.gov/medicaid-chip/getting-medicaid-chip/
- HealthCare.gov/taxes-reconciling/
- Marketplace Call Center: HealthCare.gov/contact-us/
- IRS.gov/publications/p501