How to Resolve Income Data Matching Issues (DMIs)

March 2022

The information provided in this document is intended only to be a general informal summary of technical legal standards. It is not intended to take the place of the statutes, regulations, or formal policy guidance that it is based upon. This document summarizes current policy and operations as of the date it was presented. We encourage readers to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information. This communication was produced and disseminated at U.S. taxpayer expense.
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2. Income DMI Overview
3. What to Include as Income
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Knowledge Check #1

What type of consumer information does the Federal Service Hub verify?

A. Citizenship
B. Income
C. Incarceration
D. All of the above
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Knowledge Check #2

If consumers apply for financial assistance, the Marketplace will verify:

A. Current monthly household income and family size
B. Annual household income and family size
C. Current monthly household debts
D. Both A and B are correct
Knowledge Check #2 Answer

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What is a Data Matching Issue (DMI)?

- Generally, DMIs are generated if:
  - A consumer’s information does not match information from the Marketplace’s trusted data sources.
  - A trusted data source does not have information for a consumer.

- Information that is missing or incorrect on the application may also lead to a DMI, such as:
  - A consumer did not provide a Social Security Number (SSN) on their application.
  - A consumer did not provide all household income on the application.
  - A consumer’s name used for their application differs from how it appears on their citizenship document or other document.
  - A consumer failed to provide their immigration document numbers and/or ID numbers.
What is a DMI? (Cont.)

- The most common types of DMIs are income, citizenship, and immigration.

- Consumers with income-related DMIs have 90 days from the date the eligibility notice was sent to resolve the issue. Consumers with immigration/citizenship DMIs have 95 days.
DMI Workflow

DATA MATCHING ISSUES (DMI) WORKFLOW

1. Consumer Completes and Submits Application
2. Attested Information Sent to HUB
3. DMI Generated and Inconsistency Clocks Starts
4. Temporary Eligibility Granted
5. Consumer Outreach: Notices/Calls
6. Consumer Submits Support Documents
7. Task Generated in Person Association
8. Verifications Accepts and Reviews Task in TIPS
9. Finding Consumer’s Application(s) in ESD
10. Review Support Documents
11. Resolve the DMI
12. Send Outbound Correspondence
13. Disposition Task in TIPS
**DMI Notices and Consumer Outreach**

- When a DMI occurs, the Marketplace sends consumers an eligibility determination notice (EDN) to help them resolve the issues.
  - If a consumer has a DMI, the consumer’s notice will indicate “Your eligibility is temporary.”

- Consumers with DMIs will receive 90-, 60-, and 30-day warning notices as well as a phone call and email to ask for documents if the DMI has not been resolved, based on communication preferences.

- In order to resolve a DMI, the consumer must submit required documents to the Marketplace. The Marketplace will determine if the documents are sufficient to resolve the DMI.
  - If the documents are sufficient, the DMI is resolved, and the consumer is notified.
  - If the documents are insufficient, the consumer is notified and must submit additional documents to resolve the DMI.
DMI Notices and Consumer Outreach (Cont.)

Consumer submits application and DMI is created

Consumer receives eligibility notice and 90-day warning notice

Consumer submits document(s)
- Document is sufficient
  - The Marketplace resolves the DMI and sends notice
- Document is not sufficient
  - Insufficient document notice and phone call

Consumer doesn’t submit document(s)
- 60-day warning notice via email and text message
- 30-day warning notice via email and text message
- 15-day warning phone call
- DMI expires and the Marketplace sends notice
Household Income DMI Overview

- The Marketplace verifies consumers’ income to provide the correct financial assistance and to help protect against owing money back when filing annual federal income tax returns.

- Financial assistance for Marketplace plans is based on:
  - Consumers’ **expected household income for the year they want coverage, not last year’s income.**
    - Consumers may have the option to enter their income as monthly or yearly.
  - Income is counted for applicants, their spouses, and everyone who they will claim as a tax dependent on their federal income tax return.
    - **Tax Household = Tax filer + spouse + tax dependents**

- **TIP:** Remember to include all the household members’ income even if they don’t need health coverage.
How do consumers know if they have an income DMI?

- Review the eligibility determination notice (EDN).
  - The EDN will indicate whether the applicant or any other household members need to submit documents to confirm household income.
  - Consumers can review their EDN in their Marketplace account at HealthCare.gov; or
  - Enhanced Direct Enrollment (EDE) partner sites, if the consumers applied for enrollment through the EDE partner site.

- A list of third-party entities approved to use an EDE pathway is located at [CMS.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/EDE-ApprovedPartners](https://CMS.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/EDE-ApprovedPartners).
Deadline to Submit Documents to Resolve a DMI

- Deadline to send documents for an annual income DMI:
  - 90 days from the EDN.
    - Consumers will have 90 days from the date their eligibility decision was sent to send documents that match the attested income on their application.
    - The Marketplace will make multiple attempts throughout the 90-day timeline to inform consumers of their income DMI.

- If consumers don’t send documents in a timely manner, or if the Marketplace can’t verify the expected annual household income, consumers may be at risk of losing their financial assistance or having it adjusted to reflect the income information from the Marketplace’s trusted data sources.

- If consumers enroll and use any advance payments of the premium tax credit (APTC) amount during an inconsistency period, they must acknowledge that those payments are subject to reconciliation when they file federal income tax returns.
What to Include as Annual Household Income?

- Modified adjusted gross income (MAGI).
  - The Marketplace uses a measure of income called MAGI to determine eligibility for financial assistance. It’s not a line on the tax return.
  - MAGI includes countable income for each person listed on the consumer’s federal income tax return for the year they are getting help paying for coverage.
  - How to calculate MAGI:
    - MAGI calculation = Adjusted gross income (AGI) + foreign income excluded from AGI + nontaxable Social Security benefits (including tier 1 railroad retirement benefits) + tax-exempt interest received or accrued during the tax year.

- MAGI doesn’t include Supplemental Security Income (SSI), child support payments, gifts, veterans’ disability payments, worker’s compensation, alimony for divorces finalized after December 31, 2018, or proceeds from loans, like student loans.
Why Do Some Consumers Trigger an Income DMI?

Consumers will be asked to send documents to confirm their annual household income if:

- Expected household income they attest to in the application is not within the acceptable threshold of 50 percent or $12,000, whichever is greater, as reported by the Marketplace’s data sources.

- The Marketplace is unable to find household income records within its data sources.
Why Do Some Consumers Trigger an Income DMI? (Cont.)

- **Example:** If Peter estimates an annual household income of $15,000 for the year he wants coverage, but the Marketplace’s data sources report an annual income of $34,000 for his household (both 50 percent and $12,000 higher than his attested household income), Peter may be asked to send documents to confirm his attested household income of $15,000.

- **Note:** Effective May 5, 2021, if a consumer attests to household income between 100 and 400 percent of the federal poverty level (FPL), but trusted data sources show an income below 100 percent of the FPL, the consumer will not be required to submit documents for income verification.
Tips for Calculating Annual Household Income

- Consider things like expected raises, new jobs, or other employment changes; changes in income from self-employment; and higher or lower tax deductions.

- Make sure to include income changes for a spouse who files jointly or anyone listed as a dependent on a person’s federal income tax return for the year they want coverage.

- Account for any expected changes to household size, like if an adult child will no longer be claimed as a tax dependent on a person’s federal income tax return and will file their own federal income tax return for the first time.
Tips for Calculating Annual Household Income (Cont.)

- Remember to update the household income throughout the year if anyone in the household experiences certain changes (e.g., income, family size).
  - If household income increases, consumers may have to pay money back when they file their federal income tax return for the year.
  - If household income decreases, consumers may be eligible for more financial assistance or could qualify for Medicaid or the Children’s Health Insurance Program (CHIP) coverage.

- For more tips and information on how to estimate household income, visit HealthCare.gov/income-and-household-information/how-to-report/.
Collaborate With Consumers to Resolve DMIs

Everyone working with consumers to enroll in the Marketplace plays a vital role in helping consumers understand and follow the correct process to resolve DMIs.

We need your help for those consumers who have not submitted acceptable documents or have not had their DMI adjudicated.
Steps to Resolve Household Income DMIs

Assisters should help consumers with income DMIs to:

1. Confirm if they have a DMI through their Marketplace account and notices.
2. Review the application to confirm the information that is included is correct.
3. Identify which document(s) will be the best one(s) to submit.
4. Submit document(s) online or by mail to resolve their income DMI.
Document Submission for All Annual Income DMIs

- Consumers must submit sufficient documents.
  - If sufficient documents are submitted, the Marketplace will send a notice that indicates nothing further is needed.

- Consumers need to report **all** of the household members’ names, birth dates, and income **even if a household member is not applying for coverage.**

- Consumers may request more time to submit documents if they can’t obtain the required documents within the 90-day DMI window by calling the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325) and demonstrate that a good faith effort has been made to obtain the required documents during the period.

- If consumers cannot provide the necessary documents due to a special circumstance (e.g., fire, flood), they may submit a letter providing the reason they can’t provide the requested documents. The Marketplace will take the letter into consideration when reviewing their documents.
Consumers who are self-employed would need to report their self-employment income.

- Self-employment net income is what consumers report on Schedule C of their federal income tax return.

- The Marketplace may ask consumers to upload a “self-employment ledger” to verify their income.

  - The “self-employment ledger” needs to provide an accurate detailed record of their self-employment income and expenses.
Verifying Self-employment Income

<table>
<thead>
<tr>
<th>Scenario Compared to Last Year</th>
<th>Best Documents to Submit for Verification</th>
</tr>
</thead>
</table>
| No change: The **amount and source are the same** as last year (example – the consumer has the same job with the same pay) | **1040 Schedule C/F or SE** (for self-employment income), **1065 Schedule K1 with Schedule E, or 1099-MISC (Self-employment)** that shows:  
  - First and last name of everyone covered by the return  
  - Income amounts  
  - Year of return |
| Amount change: The consumer’s income **amount is different** from last year, but from the **same source** (example – they’re self-employed and worked more hours) | **Self-employment document** (self-employment ledger) that shows:  
  - First and last name of earner  
  - Company name  
  - Income amount, including dates covered by the ledger and the net amount from profit/loss  
  Note: If the consumer doesn’t expect their self-employment income to be the same as the amount on the most recent profit and loss statement, they should include estimates for the rest of the year. |
| Source change: The consumer’s income **source (or source and amount) is different** from last year (example – no self-employment income last year) | **Self-employment document** (self-employment ledger) that shows:  
  - First and last name of earner  
  - Company name  
  - Net income after profit and loss are calculated  
  - Start and end dates for the amount in the document  
  Note: If the consumer doesn’t expect their self-employment income to be the same as the amount on the most recent profit and loss statement, they should include estimates for the rest of the year. |
**Example of Multi-purpose Notice**

ACTION NEEDED: The Health Insurance Marketplace needs more information to verify your annual household income and make sure you can keep your financial assistance.

Thank you for submitting a written explanation to prove your annual household income. The explanation you submitted doesn’t have enough information for us to verify your household’s annual income on your application. Please review the items marked with an “X” in the table below to find the specific reasons why there was a problem with your written income explanation and the next steps you can take to help verify your annual household income.

<table>
<thead>
<tr>
<th>X</th>
<th>Reasons Why There Was a Problem with Your Written Explanation</th>
<th>What You Should Do Next</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>You didn’t list an income source.</td>
<td>Please submit a new written explanation that tells us where your income comes from.</td>
</tr>
<tr>
<td></td>
<td>You didn’t state how often you receive the income or the period of time the income covers.</td>
<td>Please submit a new written explanation that describes how often you receive payments or the applicable dates of income.</td>
</tr>
<tr>
<td></td>
<td>You listed an amount that doesn’t match the amount you stated on your Marketplace application.</td>
<td>Please update your Marketplace application to match the annual household income amount you expect to receive for the year.</td>
</tr>
<tr>
<td></td>
<td>You claimed that your household doesn’t have income, but you previously submitted a document that showed income for this year for you or another member of your household.</td>
<td>Please submit a new written explanation that clarifies whether or not you have income for this year.</td>
</tr>
<tr>
<td></td>
<td>You asked us to disregard an income document you sent us, but you didn’t explain what specific income amount in the document shouldn’t be used to calculate your income for the year.</td>
<td>Please submit a new written explanation describing exactly what or whose income information from your previous documents shouldn’t be used to calculate your income for the year and why that information shouldn’t be used.</td>
</tr>
<tr>
<td></td>
<td>You asked us to disregard an income document you sent us, but you didn’t</td>
<td>Please submit a new written explanation describing why your other income documents shouldn’t be</td>
</tr>
</tbody>
</table>
Income DMI Acceptable Documents

- Tax return
- Wages and Tax Statement (W-2)
- Tax Statement from SSA 1042
- Pay stub
- Letter from employer
- Cost of living adjustment letter and other benefit verification notices
- Lease agreement (for household members who are lessors)
- Copy of a check paid to the household member
- Bank or investment fund statement
- Self-employment ledger
- Letter from government agency for unemployment benefits

- Document or letter from Social Security Administration (SSA)
- Form SSA 1099 Social Security Benefits Statement
- Court record for alimony and records of agency through which alimony is paid
- Legal documents that establish amount and frequency of alimony
- IRS tax refunds
- 1065 Schedule K1 with Schedule E
- Receipts from all allowable expenses
- Signed time sheets with receipt of payroll
- Most recent quarterly or year-to-date profit and loss statement
Income DMI Acceptable Documents (Cont.)

- Annuities
- Pensions from any government or private source
- Workers’ compensation documentation
- Prizes, settlements and awards, including court-ordered awards
- Proceeds of life insurance policies
- Gifts and contributions
- Inheritance in cash or property
- Rental income
- Strike pay or other benefits from unions
- Money from the sale, exchange, or replacement of items a consumer owns
- Interest on dividend income
- Proceeds of a loan
- Royalties
- Bonus or incentive payments
- Severance pay
- Sick pay
- Disability payments
- Deferred compensation payments
Assisters can help consumers avoid income DMIs by advising consumers to:

- Complete all possible fields in the application.
- Ensure consumer’s name exactly matches documents such as their Social Security card.
- Double check that the information on the application is complete and that there are no errors or typos.

Note: Non-applicants in the household are strongly encouraged to provide an SSN if they have one.
Tips to Confirm Household Income Information

When assisting consumers with household income information, assisters should:

- Remind consumers who qualify for financial assistance that they MUST file and reconcile their taxes, even if they typically do not file taxes.

- Encourage consumers who are self-employed to track their income in a detailed self-employment ledger.

- Encourage consumers to act quickly – consumers usually have 90 days to resolve an annual income DMI before their financial help could change or end.

- Remind consumers that the Marketplace will send them a notice (usually around one month after the Marketplace receives their documents) to let them know whether their income DMI was resolved or if more information is needed.
DMI Resources for Consumers and Assisters

- **Complex Cases: Navigating Eligibility for SEPs and Resolving SVIs and DMIs**: [Marketplace.cms.gov/technical-assistance-resources/complex-cases-data-matching.pdf](Marketplace.cms.gov/technical-assistance-resources/complex-cases-data-matching.pdf)
- **DMI Blog Post**: [HealthCare.gov/blog/the-marketplace-might-need-more-information-from-you](HealthCare.gov/blog/the-marketplace-might-need-more-information-from-you)
DMI Resources for Consumers and Assisters (Cont.)

- How Do I Upload a Document?: HealthCare.gov/help/how-to-upload-documents
- Uploading documents tips: HealthCare.gov/tips-and-troubleshooting/uploading-documents
Questions