

How to Resolve Income Data Matching Inconsistencies (DMIs)



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Agenda

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1. DMI Refresher
2. Income DMI Overview
3. What to include as income
4. Collaborate with consumers to resolve income DMIs
5. Tips and Resources

Part I – DMI Refresher

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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Household Income DMI Knowledge Check

If consumers apply for financial assistance, the Federally-facilitated Marketplaces (FFMs) 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

Household Income DMI Knowledge Check

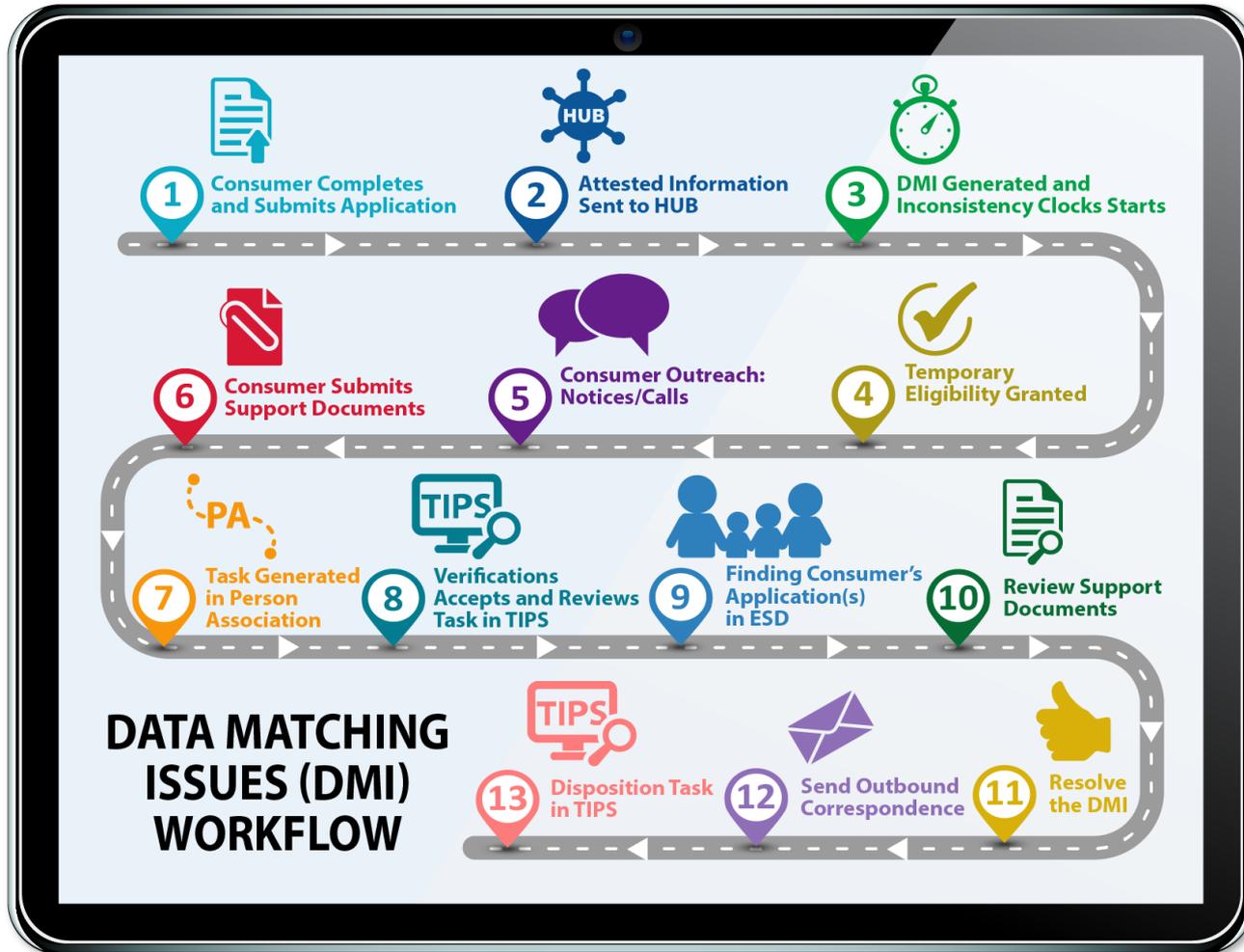
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What is a Data Matching Issue (DMI)?

- A DMI is created when a consumer's data does not match information from trusted data.
- Information may not match because a trusted data source may not have data for a consumer.
- Information that is missing or incorrect on the application may also lead to a DMI, such as when:
 - A consumer didn't provide a Social Security Number (SSN) on their application.
 - A consumer didn't 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.

DMI Workflow



Part II – Household Income DMI Overview

Household Income DMI Overview:

- The FFM verifies consumers' income to provide the correct financial assistance and to help protect against owing money back when filing annual federal income taxes

Financial assistance for FFM 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 tax return
 - **Tax filer + spouse + tax dependents = household**
- **TIP:** Remember to include all the household members' income even if they don't need health coverage

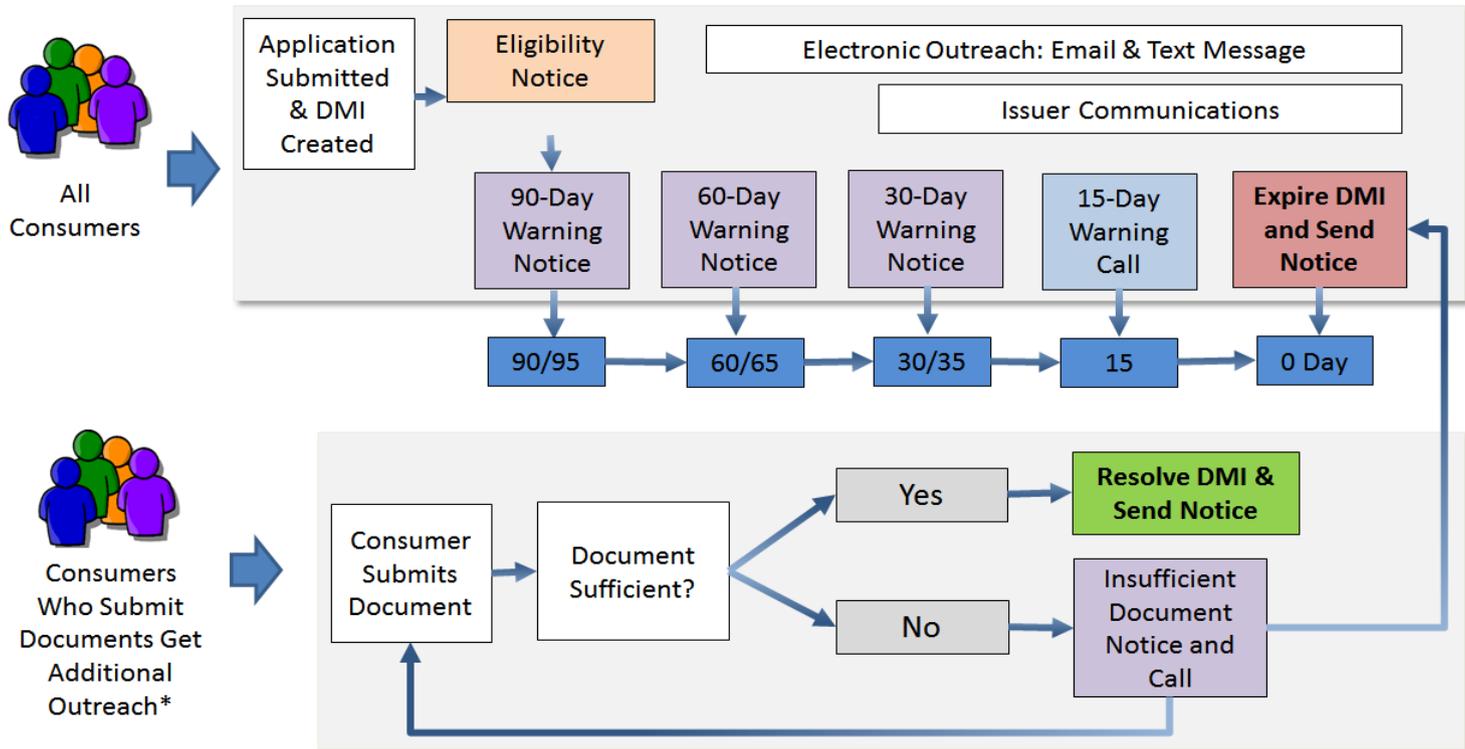
Household Income DMI Overview (Cont.)

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

Household Income DMI Overview (Cont.)

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.

Consumer Outreach



*Consumers who submit documents can get additional notices and calls which do not replace the notices and calls that all consumers receive.

Part III – 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
 - $\text{MAGI calculation} = \text{Adjusted Gross Income (AGI)} + \text{Foreign income excluded from AGI} + \text{Nontaxable Social Security benefits (including tier 1 railroad retirement benefits)} + \text{Tax-exempt interest received or accrued during the tax year}$

- MAGI doesn't include Supplemental Security Income (SSI), child support payments, gifts, veteran's disability payments, worker's compensation, alimony for divorces finalized after Dec 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 income listed in the application is **not within the acceptable threshold of 25% or \$6,000 as reported by the Marketplace's data sources**
- The Marketplace is unable to find income records within its data sources

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 \$25,000 for his household, Peter may be asked to send additional confirmation to support his projection of \$15,000.

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 tax return and will file his or her own tax return for the first time next year.
- Remember to update the household income throughout the year if anyone in the household experiences certain changes (i.e., 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 Children's Health Insurance Program (CHIP) coverage.
- For more tips and information on how to estimate your income, visit <https://www.healthcare.gov/income-and-household-information/how-to-report/>

Part IV - 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' role when helping consumers with income DMIs:

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 and demonstrating 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 special circumstance (i.e., 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.

Self-Employment Income

Consumers who are self-employed would need to report their self-employment net income.

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

Proving Annual Household Income

Income Source	Scenario Compared to Last Year	Best documents to submit for verification
Self-employment	No change: the amount and source are the same as last year (example – the consumer has the same job with the same pay)	<u>1040 Schedule C/F or 1099-MISC (Self-employment)</u> that shows: <ul style="list-style-type: none"> • First and last name of everyone covered by the return • Income amounts • Year of return
Self-employment	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)	<u>Self-employment document</u> (self-employment ledger) that shows: <ul style="list-style-type: none"> • First and last name of earner • Company name • Income amount includes: dates covered by the ledger and the net amount from profit/loss <p>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, then they should send in estimates for the rest of the year.</p>
Self-employment	Source change: the consumer's income source (or source and amount) is different from last year (example – no self-employment income last year)	<u>Self-employment document</u> (self-employment ledger) that shows: <ul style="list-style-type: none"> • 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. <p>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, then they should write estimates for the rest of the year.</p>

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.

X	Reasons Why There Was a Problem with Your Written Explanation	What You Should Do Next
	You didn't list an income source.	Please submit a new written explanation that tells us where your income comes from.
	You didn't state how often you receive the income or the period of time the income covers.	Please submit a new written explanation that describes how often you receive payments or the applicable dates of income.
	You listed an amount that doesn't match the amount you stated on your Marketplace application.	Please update your Marketplace application to match the annual household income amount you expect to receive for the year.
	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.	Please submit a new written explanation that clarifies whether or not you have income for this year.
	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.	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.
	You asked us to disregard an income document you sent us, but you didn't	Please submit a new written explanation describing why your other income documents shouldn't be

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
- 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

Part V – Tips & Resources

How to Avoid Income DMIs

Complete all possible fields in the application

Ensure consumer's name exactly matches documents such as their social security card

Non-applicants in the household are strongly encouraged to provide an SSN if they have one

Double check that the information on the application is complete and that there are no errors or typos

Tips to Confirm Household Income Information

1. When assisting consumers who qualify for financial assistance, make sure to remind them that they **MUST** file and reconcile their taxes even if they typically do not file taxes.
2. When working with consumers who are self-employed, encourage them to track their income in a detailed self-employment ledger.
3. Act quickly- consumers usually have 90 days to resolve an annual income DMI before their financial help could change or end.
4. 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

How do I Resolve an Inconsistency? Webpage: <https://www.healthcare.gov/help/how-do-i-resolve-an-inconsistency/>

Tips to Resolve Outstanding Data Matching Issues Presentation:
<https://marketplace.cms.gov/technical-assistance-resources/helping-consumers-resolve-dmi-.pdf>

Consumer Guide for Annual Data Matching Issues: <https://marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf>

DMI Blog Post: <https://www.healthcare.gov/blog/the-marketplace-might-need-more-information-from-you/>

Sample Data Matching Notices to consumers: <https://marketplace.cms.gov/applications-and-forms/notices.html>

How do I Upload a Document? Webpage: <https://www.healthcare.gov/help/how-to-upload-documents/>

Uploading Documents Tips Webpage: <https://www.healthcare.gov/tips-and-troubleshooting/uploading-documents/>

Tips for Submitting Supporting Documents to the Marketplace Presentation:
<https://marketplace.cms.gov/technical-assistance-resources/submitting-supporting-documents.pdf>

Five Things Assisters Should Know About Data Matching Terminations Factsheet:
<http://marketplace.cms.gov/technical-assistance-resources/data-matching-terminations.pdf>

Consumer Guide for Annual Household Income DMIs: <https://marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf>

Questions

