



Income Data Matching Issue: Complex Case



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DMI Refresher

- What “data matching issue” means:
 - A data matching issue happens when information a consumer enters in their Marketplace application doesn’t match with the Marketplace trusted resources, or if no information is available
 - Examples of trusted resources:
 - Social Security records
 - IRS databases
 - Income databases
 - The most common types of data matching issues are income, citizenship, and immigration.
- Impact on consumers
 - Consumers with income-related data matching issues have 90 days from the date of the eligibility notice to resolve the issue. Consumers with immigration/citizenship DMI have 95 days.
 - Consumers who don’t resolve data matching issues can lose eligibility for Marketplace coverage and have changes to their amount of help with costs, like premium tax credits and cost-sharing reductions.

DMI Notices

- If a consumer has a data matching issue, the eligibility notice will say “Send the Marketplace more information.”
- If consumers don’t send the information that’s needed, consumers will get a **90-day warning notice**, **60-day warning notice** and a **30-day warning notice** before their deadline to resolve the issue.
 - The subject line is “Important: Respond by the dates below to keep your Marketplace coverage or the help you are getting to pay for your Marketplace coverage.”
- Each notice includes a list of acceptable documents and instructions for sending them.
- If consumers don’t send documents that resolve their data matching issues by their deadline, they’ll get a notice that gives the date their eligibility ends, or the date that their help with costs will change.
- If consumers send documents, they’ll get a Marketplace notice to tell them if more information is needed, or if their issue is resolved.

Income DMI Refresher

- If consumers' household experiences certain changes, including in income or family size, this can make a difference in the amount of financial assistance consumers qualify for.
 - 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 you include income changes for a spouse you file jointly with or anyone you'll list as a dependent on your federal income tax return for the year you want coverage.
 - Also account for any expected changes to your household size, like if your adult child will no longer be claimed as a tax dependent on your tax return and will file his or her own tax return for the first time next year.
 - For more tips and information on how to estimate your income, visit [HealthCare.gov Household Information](https://www.healthcare.gov/household-information/).

Verifying Annual Household Income

- Eligibility for the advance payment of the premium tax credit (APTC) is based on the income consumers expect their household to make during the year they want health coverage, not the previous tax year.
- If the Marketplace is unable to find a record of the consumers income with its data sources, or if the expected income a consumer listed on your application **is more than 25% and \$6,000 lower than the amount shown in the Marketplace's data sources**, the Marketplace may generate a DMI notice. If this happens, consumers will be asked to send documentation as proof of their annual household income.
 - For example, if you estimate an annual household income of \$15,000 for the year you want coverage, and the Marketplace's data sources report an annual income of \$25,000 for your household, you may be asked to send additional proof to support your projection of \$15,000.
 - For more information, please visit the [“Consumer Guide for Annual Household Income Data Matching Issues”](#)

Case Facts

- 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 Marketplace plan with advanced payments of the premium tax credit (APTC) during Open Enrollment.
- Her Marketplace insurance is effective on January 1, 2018.



Case Facts



- As a self-employed musician, Roxanne thinks she will earn \$18,000 in 2018 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 2018 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 Assister, 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.

Scenario #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 about a website called Healthcare.gov where I could apply for coverage, so I did. Last week I received a letter from the Marketplace saying something about proving my income. I thought the whole process was over since my check was cashed. What does this letter mean?

Scenario #1 (Continued)

- **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 asking you to send in information to verify your income. What you have is a DMI, or data matching issue. This DMI was generated because the projected income for 2018 you put in your application 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.

Potential DMI Issues



What are the possible red flags in this interaction?

- Access to the consumer account
- Request of personally identifiable information (PII)
- Privacy and security practices
- Potential implications of data matching issues (DMI)
- Instructions to resolve DMI

Scenario #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, at the end of the year, do the bars where you work give you a “W-2” tax form?
- **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.

Scenario #2 (Continued)

- **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. In 2016 I made about \$28,000 but I am on track to make \$18,000 this year. For 2018, I expect to make the same as this year.

Resolving Income DMIs

- What prompted the DMI?
 - Income discrepancy
 - Rule: Income DMI will be triggered if it is **more than 25% and \$6,000 lower than the amount shown in the Marketplace's data source**
- Timeline to resolve DMI
 - 90 days from the date of the first DMI warning letter
 - Consumers will receive three DMI warning letters in 30 day intervals



Income DMI Document Submission

- What types of documents should the consumer send to the Marketplace?
 - Self-employment ledger
 - CMS Income Worksheet
 - 1040 Schedule C
 - Most recent quarterly or year-to-date profit and loss statement
- What should consumers do in cases where they don't have documentation?
 - Written explanation of why there is an income discrepancy between information on the Marketplace application and income documentation
- What if projected income changes?
 - Consumer need to update as soon as possible income information in the application

Failure to Submit Income Documentation

- What are the consequences if the DMI is not rectified?
 - Automatic financial assistance adjustment
 - Potential loss of financial assistance



Scenario #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 for 2018 because you will receive APTC this upcoming year, so you will need to reconcile your APTC.

Scenario #3 (Continued)

- **Roxanne:** What do you mean by reconcile my APTC?
- **Mary:** Beginning on January 1st, every month you will receive a tax credit to help you pay your premium. The total amount of tax credits you will receive in 2018 is based on the income you attested to when you submitted your application. Before submitting your tax return for 2018, you will need to reconcile the tax credit you will receive 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 need to file the 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. So, be sure to update your application as soon as possible if there are any changes on your income during the year.

Scenario #3 (Continued)

- **Roxanne:** Thanks for that information. I'll try to send my self-employment ledger sent today.
- **Mary:** Remember, you could lose part of or all of the financial help you will receive 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!

Recommendations

- What closing advice should assisters provide to consumer when dealing with income DMI cases?
 - Timeframe to submit documentation
 - Acceptable documents to resolve DMI
 - Process to submit documentation
 - Remind consumers to file tax return and reconcile APTC
 - Self-employed consumers should make an effort to track income throughout the year

Tips to Solve an Income DMI

- Take action
- Collect appropriate documents
- Submit documents in a timely fashion



Resources

- 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/>
- Income Worksheet: <https://marketplace.cms.gov/outreach-and-education/income-worksheet-for-consumers.pdf>