



# Failure to File and Reconcile 2014 APTC: Ending APTC



*August 2016*

# Overview

- What's new with Failure to File and Reconcile (FTR)?
- Background on FTR
- How Assistors can help consumers
- Resources

# Failure to File and Reconcile: What's New?

- The Marketplace sent notices in May 2016 to consumers who received APTC in 2014, warning them that if their tax filers do not file a 2014 tax return, they risk losing advance payments of the premium tax credit (APTC).
- In Early September 2016, those consumers who, according to IRS data, have not filed a 2014 tax return will receive an updated Eligibility Determination Notice alerting them that they are ineligible for APTC.
- Effective October 1, consumers who have not filed a 2014 tax return will lose APTC and income-based cost-sharing reductions (CSRs) but will remain enrolled in their Marketplace plan without financial assistance.

# Failure to File and Reconcile: Background

- For coverage year 2016, the Federally-facilitated Marketplace (“Marketplace”) **began discontinuing APTC/CSR for those enrollees who received APTC in 2014 but did not comply with the requirement to file an income tax return and reconcile APTC.**
- According to Marketplace regulations, Marketplaces must discontinue APTC and CSRs for tax filers who received APTC but did not comply with the requirement to file an income tax return and-reconcile APTC for 2014 (155.305(f)(4)).

# Failure to File and Reconcile: Attestation Question

**Starting November 1, 2015, the Marketplace application included a new tax filing-related question.**

**This question allowed enrollees who received APTC for 2014 to attest, under penalty of perjury, to having filed a 2014 tax return and reconciled APTC.**

- After filing and reconciling 2014 APTC, attesting to having filed a tax return on the application allowed the enrollee to maintain eligibility for APTC even if IRS' data had not yet been updated.
- Enrollees who filed a 2014 tax return and reconciled APTC must have attested to having filed and reconciled on the application in order to maintain APTC eligibility for 2016 coverage if IRS' data indicated otherwise.

# FTR Attestation Question

 Alabama Apply Get Results Get Coverage HELP

Application ID: 118305670

- ✓ GET STARTED
- ✓ FAMILY & HOUSEHOLD
- ✓ INCOME
- ⬇ ADDITIONAL INFORMATION
- 1 John Carson**
- 2 Other questions
- REVIEW & SIGN

**Did your household file a 2014 tax return and reconcile any premium tax credit you used?** *Optional*

Yes, 2014 premium tax credits were reconciled

Check the box above only if **all** of these apply to you:

- You used [advance payments of premium tax credits](#) (APTC) in 2014 to help lower your costs for Marketplace coverage.
- The tax filer for your household filed a federal income tax return for 2014.
- The tax return filed compared the amount of APTC used in 2014 to the rest of the tax return information.

If all of these **don't** apply to you, select "SAVE & CONTINUE" without checking the box above.

[Learn more about tax filing](#)

**SAVE & CONTINUE**

# FTR Recheck Timeline 2016

- **May:** The Marketplace conducted a recheck of IRS data to identify 2016 applications of enrollees:
  - 1) Who told the Marketplace that they filed and reconciled 2014 APTC; and
  - 2) For whom IRS data indicates they received APTC in 2014 but have not filed a 2014 tax return (“recheck population”).

The Marketplace sent a **warning notice** to these consumers letting them know that they if they do not file and reconcile APTC immediately, the Marketplace would take action to end their APTC.
- **September:** The Marketplace will check IRS data again to confirm tax filing status of those consumers who received the warning notice in May, and if IRS indicates the tax filer has still not filed a 2014 tax return, the Marketplace will end APTC and income-based CSRs, effective October 1. Consumers will receive an updated Eligibility Determination Notice at that time.

# NEW: Ending APTC and the Updated Eligibility Determination Notice

- Following the final check of IRS data in September, those consumers who, according to IRS data, have not filed a 2014 tax return will receive an updated Eligibility Determination Notice alerting them that they are ineligible for APTC.
- The Eligibility Determination Notice will state that the enrollees are ineligible for APTC and income based CSRs but will have a combination of reasons for the ineligibility in order to protect the federal tax information.

## Why don't I qualify for other programs?

You're not eligible for a tax credit and income-based cost-sharing reductions (lower copayments, coinsurance and deductibles) for coverage through the Marketplace. This is because we're missing information about your taxes. This could be for one of the following reasons:

- You told us you don't plan to file a tax return.
- You're married and you told us you'll file taxes separately from your spouse.
- Advance payments of the premium tax credit were made to your health insurance company to reduce your premium costs in a prior year and we can't tell if a tax return was filed for that year.

# Sample View of Account Before APTC is Ended

Pennsylvania HELP

< 2016 application for Individuals & Families (ID#: 1431199) View all applications

1-877-336-3915

<http://healthinsurance.aetna.com/>

Members:	Start date:	End date:	Action:
Susan Griffith	07/01/2016	12/31/2016	<a href="#">REMOVE</a>

Coverage record

Coverage dates	Premium	<a href="#">Premium tax credit</a>	You pay	Members
07/01/2016 - 12/31/2016	\$271.85	\$241.00	\$30.85	Susan

You can view the personal information, like your name and address, that we sent to your plan. [VIEW MY PLAN PROFILE](#)

You can only change plans during Open Enrollment for 2016 or if you're eligible for a Special Enrollment [CHANGE PLANS](#)

# Sample View of Account After APTC is Ended

2016 application for Individuals & Families (ID#: 1431199)

[View all applications](#)

## Aetna Health Inc. (a PA corp.)

Aetna Health Inc. (a PA corp.)  
Blue Bell, PA 19422-1904

1-877-336-3915

<http://healthinsurance.aetna.com/>

Base premium **\$271.85/mo.**

You pay: **\$271.85/mo.**

Members:	Start date:	End date:	Action:
Susan Griffith	10/01/2016	12/31/2016	<a href="#">REMOVE</a>

## Coverage record

Coverage dates	Premium	<u>Premium tax credit</u>	You pay	Members
10/01/2016 - 12/31/2016	\$271.85	\$0.00	\$271.85	Susan

# NEW: What if the consumer disagrees with the Marketplace's determination to stop APTC?

## Enrollees whose APTC is discontinued have the right to an appeal.

- After an enrollee receives an updated Eligibility Determination Notice, he or she may contact the Marketplace Appeals Center (MAC) to appeal the Marketplace's eligibility determination. **The enrollee may request to receive APTC and CSRs while the appeal is pending.**
- If the tax filer wishes to receive APTC and CSRs while the appeal is pending, the MAC will request that the enrollee's issuer restore APTC/CSR back to the date the Marketplace ended the consumer's APTC/CSR.
- In adjudicating the appeal, the Marketplace Appeals Center will request that the appellant/tax filer submit a federal tax return transcript as documentary proof of his or her tax filing. This transcript can be obtained at no cost from IRS.

# How Can Assistors Help Consumers

- Remind enrollees that even if they usually don't have to file an income tax return, if they received APTC they **must** file a tax return for that year.
- Encourage enrollees whose tax filer has filed a 2014 tax return and believe their APTC was terminated incorrectly to contact the Marketplace Appeals Center to contest this eligibility determination.
- Because information regarding tax filing is protected federal tax information, the Marketplace Call Center will not be able to let a consumer know whether they lost APTC and CSRs because their tax filer did not file a 2014 tax return.

# Resources

Information on how to file an appeal:

- <https://www.healthcare.gov/marketplace-appeals/appeal-forms/>
- You can fax your appeal request to a secure fax line: 1-877-369-0129
- Or you can mail it to:  
Health Insurance Marketplace  
Attn: Appeals  
465 Industrial Blvd.  
London, KY 40750-0061

Sample Eligibility Determination Notice

- <https://marketplace.cms.gov/applications-and-forms/notices.html>

Sample FTR Warning Notice sent in May

- <https://marketplace.cms.gov/applications-and-forms/ftr-recheck-warning-notice.pdf>