Health Connector Policy:
Eligibility for Federal and State Financial Support for Individual and Family Plans

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Approved by: **Andrew Egan**	Date reviewed: **9/1/2019**

This policy applies to all non-group health and dental products.

Individuals who are eligible for Health Connector health and dental plans pursuant to NG-1: Eligibility for Individual/Family Plan may be eligible for financial assistance if they meet criteria outlined in federal regulations at 26 CFR § 1.36-B and 45 CFR § 155.305(f), which, at a high level, require an individual to:

1. Be eligible for a Qualified Health Plan (other than a Catastrophic health plan) through the Health Connector;[1]
2. Have a projected annual modified adjusted gross household income (MAGI) between 100% and 400% of the Federal Poverty Level (FPL). Lawfully present resident aliens with MAGI under 100% who are ineligible for Medicaid because of their immigration status may also be eligible for tax credits (assuming they meet other eligibility criteria);[2]
3. Not be eligible for or enrolled in other qualifying minimum essential coverage, such as Medicare, Medicaid, other government-sponsored health insurance, or affordable employer-sponsored insurance that meets minimum value requirements;
4. Attest that they will file taxes for the year during which a tax credit is received. Married couples must file jointly in order to be eligible to receive a tax credit with the exception of victims of domestic violence or spousal abandonment; and
5. If the individual (or the individual's spouse) received Advance Premium Tax Credits ("APTC" or "Tax Credits") in a prior year, file a federal income tax return and reconcile the APTC for that year.

Individuals who are determined eligible for financial assistance must enroll in a Health Connector health plan to receive subsidies.

1. **Advance Premium Tax Credit ("APTC" or "Tax Credits").** An APTC is a federal tax credit that is provided to an issuer (insurer) on behalf of an eligible individual or family. The tax credit reduces the cost of Essential Health Benefits covered by a health or dental insurance plan.
    a. The Internal Revenue Service (IRS) calculates the amount of APTC a household can receive by subtracting the tax household's expected contribution from the cost of the Second Lowest Cost Silver Plan premium for the benefit year. The tax household's expected contribution of premiums is based on household MAGI and family size and is determined by the IRS.[3]
    b. Members can choose to take the maximum amount of APTC they are eligible for, or they can choose to take a lower amount. They can change the amount at any time through their online account or by calling the Health Connector. Changes made on or before the 23rd of the month will be effective the next month. Changes made after the 23rd of the month will be effective for the month following the next month. Example: a member who adjusts their APTC amount on May 15 will see the change reflected in their June coverage. A member who adjusts their APTC amount on May 25 will see the change reflected in their July coverage.

c. Members who do not qualify for ConnectorCare (see below) may use APTCs to reduce the cost of any health plan, other than a Catastrophic Plan, offered through the Health Connector. Tax credits may only be applied to the portion of a Qualified Health Plan that covers Essential Health Benefits or Qualified Dental Plan that covers the pediatric dental Essential Health Benefit but may be applied to multiple health and dental plans within a tax household. See NG-16: Left Over APTC Applied to Qualified Dental Plans for additional information.
d. An individual or family may reduce the amount of their tax credit or increase it up to the maximum tax credits for which they are eligible at any time during the benefit year.
e. The individual or family will be required to reconcile the total tax credits actually received during the benefit year against the tax credits which the individual or family is eligible to receive based on annual income as reported on their federal tax return. If the advance payments exceed the amount of the credit an individual or family is eligible for, a portion of the overpayment must be repaid to the Internal Revenue Service (IRS); if the advance payments are less than the amount of the credit an individual is eligible for, the individual or family may receive the remaining credit when they file.
f. The Health Connector is not liable for payment of the tax credit to or on behalf of any enrolled individual or family. The federal government provides the tax credit directly to the issuer.

2. **Federal cost sharing reductions (CSR) for non-Indians.** Cost sharing subsidies reduce the out-of-pocket expenses (co-pays, co-insurance, and deductibles) for a qualified individual or family for Qualified Health Plans only. To qualify for a cost sharing reduction, an individual or family must:
   a. Be eligible for a ConnectorCare plan through the Health Connector; and
   b. Have a household MAGI less than or equal to 250% FPL.

3. **Federal cost sharing reductions for Indians.** Additional cost sharing reductions are available to an individual who is an Indian as defined in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. §450b(d)).
   a. An individual enrolled in a Qualified Health Plan through the Health Connector who is an Indian will not be responsible for any cost sharing requirement for an item or service furnished directly by the Indian Health Service, an Indian Tribe, Tribal Organization, or Urban Indian Organization or through referral under contracted health services.
   b. An individual eligible for and enrolled in a Qualified Health Plan with a tax credit through the Health Connector who is an Indian with a household MAGI up to 300% FPL will not be responsible for any cost sharing under the plan.

4. **ConnectorCare.** Through the ConnectorCare program, a qualified individual or family may receive state-sponsored premium and cost sharing subsidies for their Qualified Health Plan, in addition to federal tax credits and federal cost sharing reductions.
   a. To qualify for premium and/or cost sharing subsidies under ConnectorCare, an individual or family must:
      i. Be eligible for a Qualified Health Plan with a tax credit through the Health Connector;
      ii. Have a household projected annual MAGI income less than or equal to 300% FPL; and
      iii. Enroll in a designated ConnectorCare plan as described below.

b. The Health Connector calculates the amount a ConnectorCare-eligible individual or family is eligible to receive in addition to any tax credits or cost sharing reductions based on household MAGI, family size and choice of health plan.
c. The premium and cost sharing amounts in a ConnectorCare plan will be available only if the eligible individual or family enrolls in a Qualified Health Plan that is specifically designated by the Health Connector as a ConnectorCare plan.
d. The premium and cost sharing amounts in a ConnectorCare plan will be paid directly by the Health Connector to Qualified Health Plan issuers.
e. Individuals or families will be responsible to pay the difference between the cost of the Qualified Health Plan and the amount of any premium subsidy. The Health Connector will collect that contribution from ConnectorCare-eligible individuals or families. The cost of ConnectorCare plans will vary. Individuals or families who choose the least expensive ConnectorCare plan available to them will pay the lowest premium applicable for their income level, while individuals or families who choose more expensive plans will pay higher premiums. Cost sharing is the same across all ConnectorCare plans.
f. The state subsidy paid through the ConnectorCare program is not part of a tax credit program. While ConnectorCare members are required to file federal tax returns to reconcile any tax credits they received to help pay for their ConnectorCare plan, they are not required to file state tax returns (unless otherwise required by law). Further, the Health Connector does not engage in estate recovery to recoup subsidy amounts.

Provisional eligibility for subsidized coverage

An individual or family may receive Advance Premium Tax Credits and, if eligible, cost sharing reductions and state-sponsored premium subsidies through ConnectorCare, while they are in a provisional period for eligibility. Any advance payments of the premium tax credit received during the 90-day provisional eligibility period are subject to federal income tax reconciliation.

Individuals or families are provisionally eligible for coverage if they attest to meeting the eligibility requirements outlined in the previous sections, but they must provide further documentation of their eligibility because the Health Connector could not verify their information using other electronic data sources. An individual may not be provisionally eligible if electronic data sources indicate they are deceased, or they have Minimum Essential Coverage from another public program, including Medicare, MassHealth, or other government-sponsored insurance.

In the case of provisional eligibility, the individual or family will have 90 days to provide documentation, during which time they will be eligible based on the attestation(s) provided in the application. If, after the 90 days, the Health Connector remains unable to verify the attestation, the individual or family's eligibility must be re-determined based on the information available in the data sources.[4]

The Health Connector may extend the provisional eligibility period if the applicant demonstrates that a good faith effort has been made to obtain the required documentation during the period.

[1] *Please reference the policy NG-1: Eligibility for Individual/Family Plan*

[2] *The Federal Poverty Guidelines used to determine eligibility for a benefit year are those that are in effect at the beginning of open enrollment for that benefit year.*

[3] *Please reference 26 CFR 1.36B-3*

[4] *Please reference the policy NG-6: Redetermination During the Benefit Year*