



pennie®



Pennie Community Workgroup

June 16, 2023



MS Teams Live Conference Call



All attendees' lines are muted



All questions can be typed using the Q&A function.
Pennie Reps will answer them one-on-one, publish, or audibly address.

Today's Agenda



- **Medical Assistance (MA)/Medicaid Unwinding Update**
- **Upcoming System Enhancements**
- **New Data Matching Issue (DMI) Policies**
- **How to Calculate Income**
- **Privacy and Security**
- **Changes in Circumstances: Impact to Premium Tax Credits and Advance Premium Tax Credits**
- **Questions & Feedback**



Medical Assistance (MA)/Medicaid Unwinding Update

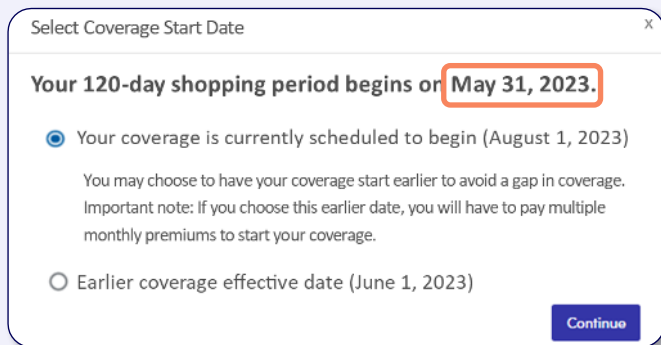
Unwinding Update - Reminders

Effective Dates

Although DHS redetermines eligibility throughout the month, medical assistance coverage (also known as Medicaid) remains in effect until the end of that month.

For example, if a customer was given a 5/12/23 redetermination date, their Medicaid coverage will continue until **5/31/2023**.

- Since the individual lost MA coverage, they would be granted a Loss of Medical Assistance special enrollment period (SEP) through Pennie using 5/31/2023 to begin the 120-day enrollment window.
- If the individual selects a plan within the first 60 days of the SEP window, they can elect 6/1/23 as the start date to avoid a gap in coverage.
- After the first 60 days of the SEP enrollment window, the individual still has 60 more days to enroll but the coverage will be prospective only.



Select Coverage Start Date

Your 120-day shopping period begins on **May 31, 2023.**

☒ Your coverage is currently scheduled to begin (August 1, 2023)

You may choose to have your coverage start earlier to avoid a gap in coverage.
Important note: If you choose this earlier date, you will have to pay multiple monthly premiums to start your coverage.

☐ Earlier coverage effective date (June 1, 2023)

Continue

Unwinding Update - Reminders

Re-enrolling in Medicaid Pending Appeal

If a customer is determined ineligible for Medicaid but then appeals and is re-enrolled in Medicaid pending their appeal, don't forget to contact Pennie to terminate their Pennie coverage (if they have already enrolled). Pennie is not notified when customers re-enroll in Medicaid due to an appeal.

If retroactive termination of Pennie coverage is needed, contact Pennie ASAP and provide a copy of the Medicaid enrollment letter.

"I got this notice..."



Samples of notices that go directly to recipients, based on the address they provided to DHS:

- Help recipients complete their renewal when it is time to do so, and
- To ensure recipients have all the information they need to maintain coverage through MA/CHIP/Pennie

[Individual Communications \(pa.gov\)](https://pa.gov)

Unwinding Update – Marketing and Outreach

- Continuing to contact medical assistance account transfers since mid-April including **via direct notices/mailers, emails and priority outbound calls** through our Customer Service Center – texting to begin July 2023.
- Beginning to contact those who had medical assistance terminated due to non-response via **mailer/emails** – received the first data from DHS in early June.
- Pennie held **8 press conferences in communities across PA** in partnership with DHS to raise awareness of the unwinding and assistance available through Pennie.
- **Pennie published the following collateral for stakeholder use:**
 - Pennie Unwinding Webpage
 - FAQs
 - Explainer videos
 - Social media posts
 - Digital graphics
 - Robust stakeholder toolkit in coordination w/ DHS
- Pennie's **advertisement and media campaign** went live targeting lower-income households, vulnerable populations, and non-English speaking audiences
- Pennie's outreach activities ongoing with partnerships from Assisters and the YMCA health equity tour



Upcoming System Enhancements

Coming Soon – end of June 2023

Upcoming System Enhancements

Pennie has several system enhancements coming at the end of June 2023, including:

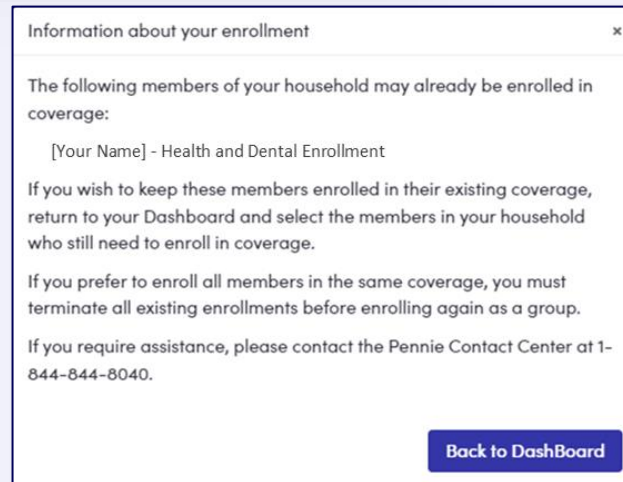
- Prevent Duplicate Enrollments
- Disenroll Individual Members (Self-Service)
- Plan Information – Print to PDF
- Household Relationships – New “Learn More” help text
- Broker Active Individuals Page – Current Year Only

Prevent Duplicate Enrollments

- Additional checks to prevent duplicate enrollments
- Occurs at end of plan shopping flow (signature page)
- Checks to see if anyone enrolling in this new plan is already enrolled in coverage under another account

What should you do if you receive duplicate enrollment message?

1. Go back to start of plan shopping and remove the person who is a duplicate enrollee, and complete plan shopping for the remaining individuals
2. Contact Pennie Customer Service to help resolve the duplicate enrollment.



- Common reasons why a customer might have duplicate Pennie accounts:
 - HealthCare.gov account migrated to Pennie during 2021 OE, new Pennie account created recently
 - Adult child ages off parent's plan and creates their own account.
 - Spouses each set up their own account for the same tax household
 - Recently-divorced spouse creates their own account but still enrolled on former spouse's previous account

Disenroll Individual Members (Self-Service)

- Current: To terminate coverage for just one enrollee, you would need to either:
 - a. update the eligibility application to show that person no longer seeking coverage, or
 - b. call Pennie Customer Service
- **NEW:** Additional options for terminating coverage for individual enrollees
 - c. “Disenroll” button on My Enrollments in customer portal
- ✓ Faster/easier to terminate coverage for individual enrollees
- ✓ Same choice of coverage end dates (end of current month or up to 3 months in the future)

My Stuff

- My Dashboard
- My Applications
- My Eligibility Results
- My Enrollments**
- My Inbox
- My Tickets
- My Preferences

Quick Links

- Find Local Assistance

Voluntary Disenrollment

Who do you want to disenroll? You can disenroll some or all of your covered family members.

☐ [Spouse Name]

☐ [Child Name]

☒ All Covered Family Members

[Subscriber Name] may not disenroll without disenrolling all members from coverage, as they are the primary person linked to this enrollment. If you need to remove this person from coverage, please edit your application to report a household change.

Cancel Continue

COVERED FAMILY MEMBERS

- Spouse
- Self
- Child


Disenroll From Health Plan



Note: If the SUBSCRIBER wants to terminate coverage, you need to either update the eligibility application to show the subscriber no longer seeking coverage or call Pennie Customer Service.

Plan Information – Print to PDF

- Allows you to more easily share a PDF of plan information with customers
- Click “Print Preview” link at top of page
- Plan Details (1 plan)
 - In-Network and Out-of-Network Benefits
- Plan Comparison (up to 3 plans)
 - In-Network Benefits Only

 **COMPARE**

Plan Details

Print Preview

EXPENSE ESTIMATE LOW \$

UPMC HEALTH PLAN

UPMC Advantage Bronze \$6...

BRONZE PPO

Plan Highlights

Plan Name

UPMC Advantage Bronze
\$6,700/\$0 - Premium
Network

Primary Care Visit

No Charge after deductible

pennie

Plan Details

EXPENSE ESTIMATE LOW \$

UPMC HEALTH PLAN

UPMC Advantage Bronze \$6...

BRONZE PPO

\$1,711 (Individual)
after \$742.64 tax credit

ADD

Plan Highlights

Plan Name

UPMC Advantage Bronze
\$6,700/\$0 - Premium
Network

Primary Care Visit

No Charge after deductible

Generic Drugs

\$30 Copay

Deductible

\$13450

OOP Max

\$18200

HSA-compatible

No

Overall Quality Rating

PROVIDER

Search

PDF

Deductible & Out-of-Pocket

In Network*

Out-of-Network*

Deductible

\$6700 (Individual)
\$13400 (Family)

\$13400 (Individual) \$26800 (Family)

Out-of-pocket max *

\$6700 (Individual)
\$13400 (Family)

\$13400 (Individual) \$26800 (Family)

Compare Plans

Print Preview

EXPENSE ESTIMATE LOW \$

Capital

Gold Capital Advantage E...

GOLD EPO

EXPENSE ESTIMATE LOW \$

HIGHMARK

my Direct Blue EPO Gold ...

GOLD EPO

EXPENSE ESTIMATE LOW \$

Geisinger

Geisinger Marketplace AL...

BRONZE HMO

pennie

Compare Plans

Summary

Expense Estimate

Doctors & Facilities

Plan Type

HSA-compatible

Overall Quality Rating

Doctors and Facilities

Check for your doctor

Deductible & Out-of-Pocket (In Ne

EXPENSE ESTIMATE LOW \$

Capital

Gold Capital Advantage E...

GOLD EPO

\$58.35 (Individual)
after \$742.64 tax credit

ADD

EXPENSE ESTIMATE LOW \$

HIGHMARK

my Direct Blue EPO Gold ...

GOLD EPO

\$138.25 (Individual)
after \$742.64 tax credit

ADD

EXPENSE ESTIMATE LOW \$

Geisinger

Geisinger Marketplace AL...

BRONZE HMO

\$0.00 (Individual)
after \$742.64 tax credit

ADD

Summary

Expense Estimate*

Lower Expense

Lower Expense

Lower Expense

Plan Type *

EPO

HMO

HMO

HSA-compatible *

No

No

No

Overall Quality Rating *

Not Available

Not Available

Not Available

Deductible & Out-of-Pocket (In Network)

Deductible

\$2600 (Individual)

\$0 (Individual)

\$6500 (Individual)

Separate Drug Deductible

\$5300 (Family)

\$0 (Family)

\$17000 (Family)

Included in deductible

Included in deductible

\$0 (Individual)

Included in deductible

Sample plans for Harrisburg zip 17101

PDF

Additional System Enhancements


Household Relationships – New Learn More help text

- Help text provides clarity on some of the nuanced relationship categories that have caused confusion.

Broker Active Individuals Page

- Will only show current year applications (default)
- Still able to view prior year apps using Application Year filter
- This will make it easier for brokers to navigate customers since there won't be multiple entries for each customer from each year they were enrolled through Pennie.

Active Individuals

Q Search 

First Name	Last Name	Application Type	Issuer
<input type="text"/>	<input type="text"/>	Select Application Type	Select Issuer

Current Status	Next Steps	Due Date	Application Year
Select Current Status	None	Select Due Date	2023

Applicant Verifications

Select

Go

Household Relationship

Steps

- Start Your Application
- Before We Begin
- Get Ready
- Primary Contact Information
- Help Applying for Coverage
- Help Paying for Coverage
- About Your Household
- Household Relationship**
- Household Addresses
- Summary
- Family and Household
- Income Information
- Additional Information
- Review and Sign

Household Relationship Details

Here are the 3 members in your household. Please answer the following questions to help us establish everyone's relationship to each other.

- Primary Customer
- Child Customer
- Spouse Customer

1. How is **Primary Customer** related to the other household members? [Learn more](#)

Here's some more information about a few of these relationships:

Child: Select this for your children, including adopted and foster children. A foster child is a person up to age 21 who's been placed in an institution, group home, or private home of a state-certified caregiver referred to as a "foster parent" by the state. In some cases, a child living with someone under a pre-adoption agreement may qualify as a foster child.

Collateral dependent: Select this for a relative by blood or marriage who lives in the home and is dependent on another person for a major portion of their support.

Sponsored dependent: A person between ages 19-25 who relies on another adult for support and isn't attending school. (Note: Health plans may define the age range differently.)

Ward: Select this for a person who's under the care or responsibility of a parent or court-appointed guardian. Wards may be either minor children or disabled adults.

Live-in Guardian: Select this for a person who's responsible for the care and management of a minor child.

Court-appointed guardian: Select this for an adult who's been given legal responsibility by the court to manage the affairs of another person. Usually this is an adult who's given legal responsibility to care for a child by the court, but the guardian can also be an adult with legal responsibility to manage the affairs of another adult.

Former spouse: Select this for an ex-wife or ex-husband.

Primary Customer is Child Customer's*

Parent (father or mother)

Primary Customer is Spouse Customer's*

Spouse



New Data Matching Issue (DMI) Policies

Coming Soon – end of June 2023

Updated Data Matching Issue Policies

On May 31, Pennie's Board of Directors approved 2 new policy proposals impacting the way Pennie processes data matching issues (DMIs).

1. Allow customers to use Pennie's updated Income self-attestation form as a first, and only, form of documentation to resolve their income DMI.
2. Reinstate coverage, with full financial help, to the date that financial help or coverage was ended due to the individual not providing documentation by the end of the DMI reasonable opportunity period (ROP).

Retroactive termination policy proposal – still under discussion for July Board Meeting.

Income Self-Attestation Form

Policy Overview

1. Customers who have an income DMI will be able to resolve that DMI by submitting an updated version of the Pennie income attestation form.
2. Customers will not need to submit other supporting documentation before or after submitting the attestation form.
3. **Customers must:**
 - a. Complete the new income self-attestation form,
 - b. Indicate the reason for the income discrepancy, and
 - c. Attest to understanding, under penalty of perjury, their responsibility to accurately represent their projected income and the risk of tax liability if they underestimate their income.
4. **Can attest to this information by *submitting a written attestation form OR by calling Pennie customer service and verbally providing the information.****

**Brokers and assistants can upload a copy of the attestation form signed by the customer on their behalf.*

*However, only a **customer** can call to verbally complete the attestation.*

Reinstatement of Coverage if DMI Resolved After ROP Expires

Policy Overview

Customers who do not provide documents to verify their information within the DMI reasonable opportunity period (ROP) can have their coverage and/or financial help reinstated retroactive to the date in which adverse action occurred.

Many customers do not realize that they need to take action on a DMI until they receive an updated bill from their insurer with the full premium amount or have their insurance denied when accessing health care services.

To qualify, customers must:

1. Contact Pennie Customer Service and request to have their coverage and/or financial help reinstated retroactively within *60 days of ROP expiration*.
2. Provide the appropriate documents to resolve their DMI within *60 days of ROP expiration*.

Ex.: Customer has their income DMI expire June 3; adverse action is taken June 30 triggering removal of APTC; customer receives updated invoice on July 10; customer contacts Pennie July 15 and submits documentation verifying their income – customer's APTC is reinstated for July 1.



How to Calculate Income

How to Calculate Income

Customers applying for premium tax credits through the marketplace must provide Pennie with their *expected annual income* for the upcoming year.

Income is counted for the primary tax filer, their spouse, and everyone claimed as a tax dependent for the purpose of federal income taxes.

To calculate income:

1. Start with the household adjusted gross income from the most recent federal income tax return.
2. Add the following kinds of income, if the customer has any, to the adjusted gross income.
 - a. Tax-exempt foreign income
 - b. Tax-exempt Social Security benefits (including Tier 1 railroad retirement benefits)
 - c. Tax-exempt interest
 - d. *Don't include Supplemental Security Income (SSI).*
3. Adjust the estimate for any changes expected before applying for coverage, or during the year as they occur.

Consider When Calculating income

- Expected raises
- New jobs or other employment changes, including changes to work schedule or self-employment income
- Changes to income from other sources, like Social Security or investments
- Changes in your household, like gaining or losing dependents, which can have a large impact on your amount of premium tax credit.



Privacy and Security

Privacy and Security

There are many details spelled out in various training programs, documents and agreements. The following are some hints/reminders and do not replace or change anything in those official sources.

- Please report to us if:
 - You see information in a household that does not belong to that household.
 - A device which stores Pennie information is lost or stolen.
 - If you see or are aware of any suspicious activity on any of Pennie's systems.
- Tips, Hints and Reminders:
 - Use Data Minimization: In emails use ids (household or policy) instead of identifying information. Do not send social security numbers.
 - Links Instead of Attachments for Sensitive Info: Use a link to a secure location (i.e. SharePoint, OneDrive, Google Drive) instead of using an attachment.
 - Encrypted Email is an Option: Go to new Email, then navigate to File/Info/Encrypt
 - Long Email Chains: Avoid long email chains. When they are necessary review the entire chain to make sure all recipients should have access to all content. Don't be afraid to remove content before forwarding.
 - Double Check Recipient List: Double check you have the right people (people can have similar names). Also, like email chains, ensure everyone who will receive the email, needs to see the information contained in the email.
 - Change your passwords regularly: Avoid using the same passwords for Pennie and personal systems/devices.
 - Device Sharing Prohibited: Don't let guests/friends use any device which may have customer information.
 - Password Sharing Prohibited: Do not share your Pennie credentials with anyone.

Privacy and Security

Common Pennie IDs you can use to uniquely identify a Pennie customer

- Case ID – Customer dashboard, My Applications page
- Application ID – My Applications page
- Ticket ID – My Tickets page (customer portal), Secure inbox subject line, Pennie Customer Service
- Exchange Assigned Policy ID – View Enrollment Details (from assister/broker portal)

Your Application Status (Your Case ID is PA1100001761)

2023 Application
For 4 members

Current Applications for 2023

2023 Initial Application dated May 31, 2023, 11:30:38 PM

Application Status

Primary Contact

Date Created

May 31, 2023, 11:30:38 PM

COMPLETED

Coverage Year
2023

Application ID
100007659

Date Submitted

May 31, 2023, 11:30:37 PM

Type
Initial Application

Case ID
PA1100001761

Max Household APTC
Not Eligible

Ticket History

Ticket Id

Subject

TIC-2660

Notifications

Date

Subject

08/29/2022

TIC-2674

07/20/2022

Important update regarding your Pennie ticket #TIC-2660

View Enrollment Details

HIGHMARK
HIGHMARK INC.

MY DIRECT BLUE EPO BRONZE 8900

Enrollment Status: CONFIRM

Effective Date: 04/01/2023 – 12/31/2023

Enrollment Date: 03/14/2023

MONTHLY PAYMENT

Premium Amount \$392.61
Elected Federal APTC Amount \$81.84
Net Premium \$310.77

ENROLLMENT ID'S

Exchange Assigned Policy ID 1519
CMS Plan ID 33709PA094000801
Transaction ID PA00000001546

Submitted Date: 03/14/2023

Submitted by: Individual

Last Update Date: 03/20/2023

Last Update By: Administrator

CONFIDENTIAL





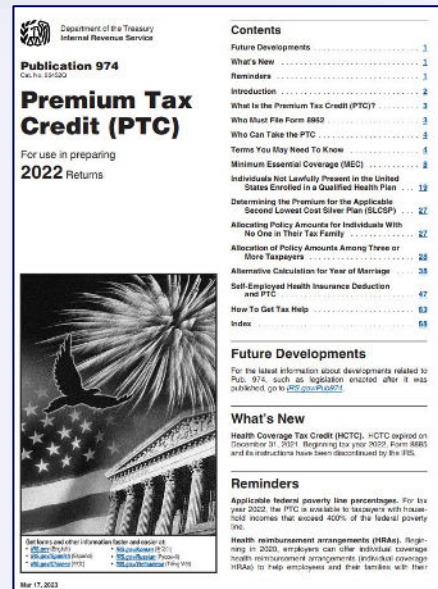
Changes in Circumstances:

**Impact to Premium Tax Credits and
Advance Premium Tax Credits**

Premium Tax Credits + Advance Premium Tax Credits

Refresher: What are Premium Tax Credit and how are these used?

- Premium Tax Credit are a type of federal financial assistance to help qualified individuals pay for the cost of health insurance coverage through the marketplace.
- Premium Tax Credit are calculated at tax time, when a household files its annual federal tax return and reports the coverage the household had during the prior year.
- Customers can lower their monthly premium payments throughout the year by electing to receive the Premium Tax Credits that Pennie has determined they are eligible for in advance. This is referred to as **Advanced Premium Tax Credit**.
- To calculate the Advanced Premium Tax Credit amount, Pennie takes into account:
 - The premium of the “benchmark plan” available in the customer’s area (which is the second lowest cost silver plan)
 - Projected household income for the coverage year.
- Customers report the amount of Advanced Premium Tax Credit received during the year by submitting Form 8962 when they file their federal tax return.
- If the projected household income is different than the total household income for the year, individuals could receive more Premium Tax Credits or owe some back at tax time.
- Public resource to gain more insight: Internal Revenue Service [Publication 974](#): “Premium Tax Credit (PTC), for 2022” and Pennie [FAQ](#).



Internal Revenue Service [Publication 974](#): Premium Tax Credit (PTC), for 2022.

Note 1: Pennie is not a tax professional. Please refer to a tax professional for tax advice.

Note 2: The Internal Revenue Service is the governing body for Premium Tax Credits.

Changes in Circumstances

Internal Revenue Service Publication 974: Premium Tax Credit (PTC), for 2022: Changes in circumstances, pg.2

Pennie determines a customer's eligibility for Advance Premium Tax Credit using projected income and the number of individuals in the tax household.

If this information changes during the plan year and the customer does not promptly report it to Pennie, the amount of Advance Premium Tax Credit paid *during the year* may be significantly different from the amount of Premium Tax Credit the customer is eligible to receive when taxes are filed *at the end of the year*.

Changes that you should report to the Marketplace include the following:

1. Household income.
2. Moving to a different address.
3. Gaining or losing eligibility for other health care coverage.
4. Gaining, losing, or other changes to employment.
5. Birth or adoption, marriage or divorce, other changes affecting the composition of your tax family.

Reporting changes in circumstances promptly will allow the Marketplace to adjust your Advance Premium Tax Credit to reflect the Premium Tax Credit you are estimated to be able to take on your tax return. Adjusting your Advance Premium Tax Credit when you re-enroll in coverage and during the year can **help you avoid owing when you file your tax return.**

Changes in Circumstances

Why is it **important** to understand changes in circumstances and how these impact Premium Tax Credit and Advance Tax Credit?

1. Compliance: federally regulated.
2. Practical: life happens – circumstances change; to better service our community, we need to understand how these changes impact our customers and how we can help them not receive more tax credits than they are eligible to receive.
3. Purpose: Pennie aims to maximize the number of Pennsylvanians with affordable, quality health coverage and to facilitate informed consumer decision-making. Customer education is vital to promote informed consumer decision-making about how much Premium Tax Credit to take in advance.

Why does this **matter**?

Assisters and Brokers serve as vital resources to help customers in our communities understand Advance Premium Tax Credits, how it is calculated, and what to expect, especially with income changes during the year.

Goal:

Understand how to use Pennie and tools appropriately for each customer's situation.

Advance Premium Tax Credit - Slider Tool

Confirm your Plan Selection

[Shop for Dental](#)

Health Plan: **Suhar One**

Capital Blue Cross
Gold Capital Advantage EPO
2650/10/20
Change Effective Date: 07/01/2023

Monthly Premium	\$1,123.80
Monthly Tax Credit (APTC)	
Adjust APTC	
HEALTH MONTHLY PAYMENT	\$160.62

Cart Total

Health Monthly Payment	\$160.62
TOTAL MONTHLY PAYMENT	\$160.62

[Shop for a Different Plan](#) [Sign Application](#)

Your federal tax credit

To choose how you'd like to receive your credit, move the slider and click "Confirm".

Monthly Tax Credit		Amount per month credited towards Next Year's Tax Return
\$ 767.80		\$ 195.38

Effective Date : 07/01/2023

How did we come up with this amount?

1 2

[Close](#) [Confirm](#)

Pennie's tax credit slider tool:

- Displays the amount the tax credit the customer is eligible to receive monthly and gives the option of selecting how much of the tax credit the customer wants to use. The "Adjust APTC" button displays after the customer makes a plan selection.
- Appropriate for customers who have high uncertainty of their income and can afford to pay more each month.

Advance Premium Tax Credits Calculation Tools

Anonymous Shopping vs. Eligibility Application

When should an individual submit a full application to calculate Advance Premium Tax Credits?

- Submitting a full application is the only way to get an accurate and final Advance Premium Tax Credits eligibility determination based on all criteria that can impact a customer's eligibility.
- For income changes during the plan year, updates need to be made to the application, as it takes into account the Advance Premium Tax Credits a customer has already received throughout the year.
- This will result in a calculation of total Advance Premium Tax Credits over the year that will minimize the chance of owing back tax credits at tax time.

When can you use Browse for Plans (anonymous shopping)?

- Simple Advance Premium Tax Credits estimate for customers who are looking for a high-level estimate of savings and who are not already enrolled.



Be aware if you use your own estimate tools as they do not account for complexities and may not result in same result as applying through Pennie, which is the only source of accurate eligibility results.

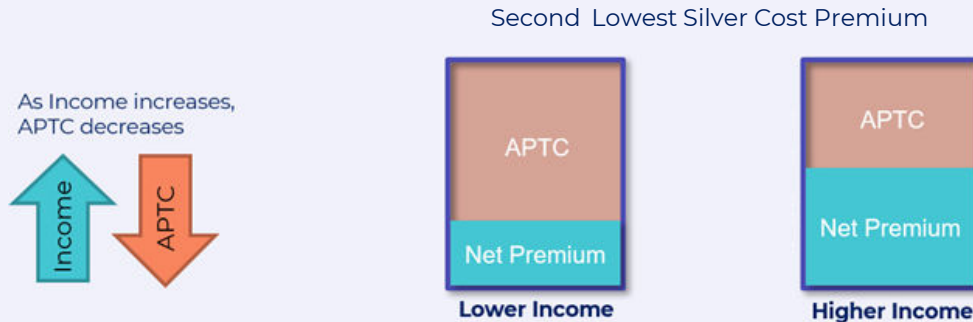
Advance Premium Tax Credits Calculation

Premium Tax Credits – *at tax time:*

- Tax credit at tax time for health plan premium costs incurred over the tax year.
- Based on your actual annual household income and household size as reported on your tax return.
- Claimed on your federal tax return at the end of the year (reduced by any Advance Premium Tax Credits received during the year).

Advance Premium Tax Credits – *monthly premium reductions:*

- Tax credit that is estimated and received *in advance* during the year, as direct reductions to monthly health plan premiums
- Based on projection of annual household income and household size.
- If you use more Advance Premium Tax Credits than the amount of Premium Tax Credits you qualify for at the end of the year, you repay the difference, and this is what we want to avoid. **This happens commonly with income and household changes that are not reported timely.**



Note: If the **income** reported on the tax return is **higher** than what was projected in the Pennie application, the household **could owe back** some of the Premium Tax Credit.

If the **income** reported on the tax return is **lower** than what was projected in the Pennie application, the household **could receive more** Premium Tax Credit at tax time.

For more information on what income is included/excluded from annual household income, see [Pennie FAQs: What to include as income](#).

Advance Premium Tax Credit Calculations

How is Pennie calculating Premium Tax Credits?

1. Determine annual household income and tax household size.
 - Used to calculate income as percentage of **Federal Poverty Level**, which determines what portions of premiums customers pay.
2. Determine Second Lowest Cost Silver benchmark plan premiums for enrolling individuals.
3. Calculate annual net premium to enroll in Second Lowest Cost Silver plan.
 - Use Federal Poverty Level to determine what percentage of household income customer should pay.
 - Multiple that percentage by annual household income.
 - Result is annual net premium for Second Lowest Cost Silver plan.
4. Calculate tax credit needed to achieve annual net premium in Second Lowest Cost Silver plan.
 - Subtract annual net premium from Second Lowest Cost Silver plan premiums.
 - Result is maximum annual premium tax credit household eligible to receive.



Second Lowest Cost Silver Premium



Advance Premium Tax Credit Calculations

Calculating Premium Tax Credit:

	Example 1 – \$60,000 HH income
1. Annual household income and household size.	Annual income = \$60,000 HH size = 5; FPL = 200%
2. Second Lowest Cost Silver plan premiums <ul style="list-style-type: none"> Only for enrolling individuals 	2 Enrollees (\$500 / month, \$600/month) SLCS premiums = \$1,100/month = \$13,200/year
3. Calculate annual net premium to enroll in Second Lowest Cost Silver plan <ul style="list-style-type: none"> Use Federal Poverty Level to determine what percentage of household income customer should pay Multiple that percentage by annual household income Result is annual net premium for Second Lowest Cost Silver plan 	200% FPL = 2% of HH income Net premium = HH Income * % of income = \$60,000 * 2% = \$1,200/year
4. Calculate tax credit needed to achieve annual net premium in Second Lowest Cost Silver plan <ul style="list-style-type: none"> Subtract annual net premium from Second Lowest Cost Silver premiums Result is maximum annual premium tax credit household is eligible to receive 	Annual APTC = SLCS premiums – Net Premium = \$13,200 - \$1,200 = \$12,000/year or \$1,000/month

** Example includes approximations for illustrative purposes, assumes max Advance Premium Tax Calculation used each month, enrolled for 12 months.

Advance Premium Tax Credit Calculations

Calculating Premium Tax Credit:

	Example 2 – \$84,000 HH income
1. Annual household income and household size	Annual income = \$84,000 HH size = 5; FPL = 275%
2. Second Lowest Cost Silver plan premiums <ul style="list-style-type: none"> Only for enrolling individuals 	2 Enrollees (\$500 / month, \$600/month) SLCS premiums = \$1,100/month = \$13,200/year
3. Calculate annual net premium to enroll in Second Lowest Cost Silver plan <ul style="list-style-type: none"> Use Federal Poverty Level to determine what percentage of household income customer should pay Multiple that percentage by annual household income Result is annual net premium for Second Lowest Cost Silver plan 	275% FPL = 5% of HH income Net premium = HH Income * % of income = \$84,000 * 5% = \$4,200/year
4. Calculate tax credit needed to achieve annual net premium in Second Lowest Cost Silver plan <ul style="list-style-type: none"> Subtract annual net premium from Second Lowest Cost Silver premiums Result is maximum annual premium tax credit household eligible to receive 	Annual APTC = SLCS premiums – Net Premium = \$13,200 - \$4,200 = \$9,000/year or \$750/month

** Example includes approximations for illustrative purposes, assumes max Advance Premium Tax Credits used each month, enrolled for 12 months.

Advance Premium Tax Credit Calculations

Changes in Circumstances:

- Since Advance Premium Tax Credits are based on annual household income, changes to annual household income are more complicated.
- When income changes during the plan year, we still look at an annual Advanced Premium Tax Credits calculation.
- Therefore, we need to account for how much Advanced Premium Tax Credits the customer previously received to ensure that by the end of the year, customer does not receive too much (or too little) Advanced Premium Tax Credits.

Note: the later in the year that the change is made, the more impact we will see (because there are fewer months left in the year to make up the difference for the many months of Advanced Premium Tax Credits received based on income that is no longer accurate). If the change occurs after just one month of coverage, the math will be impacted.


Example 3 – Income Change


- 1/1 – Enrolled with annual income \$60,000 (example 1)
- 7/1 – Change annual income to \$84,000 (example 2)

Advance Premium Tax Credit Calculations

Example 3 – Income Change

- 1/1 – Enrolled with annual income \$60,000 (example 1)
 - \$60,000 income = Advance Premium Tax Credits \$12,000/year or \$1,000/month
- 7/1 – Change annual income to \$84,000 (example 2)
 - \$84,000 income = Advance Premium Tax Credits \$9,000/year or \$750/month

 **Method A** - Use annual calculations from Examples 1 and 2

	Annual Income	APTC Used (per month)
Jan	\$ 60,000	\$ 1,000
Feb		\$ 1,000
Mar		\$ 1,000
Apr		\$ 1,000
May		\$ 1,000
Jun	V	\$ 1,000
Jul	\$ 84,000	\$ 750
Aug		\$ 750
Sep		\$ 750
Oct		\$ 750
Nov		\$ 750
Dec	V	\$ 750
Year End	\$ 84,000	\$ 10,500 

Exceeds \$9,000 / year

Advance Premium Tax Credit Calculations

Calculating Premium Tax Credit with Changes in Circumstances - Income Change:

	Example 3 – Change to \$84,000
1. Annual household income and household size.	Annual income = \$84,000 HH size = 5; FPL = 275%
2. Second Lowest Cost Silver premiums <ul style="list-style-type: none"> Only for enrolling individuals 	2 Enrollees (\$500 / month, \$600/month) SLCS premiums = \$1,100/month = \$13,200/year
3. Calculate annual net premium to enroll in Second Lowest Cost Silver plan <ul style="list-style-type: none"> Use Federal Poverty Level to determine what percentage of household income customer should pay Multiple that percentage by annual household income Result is annual net premium for Second Lowest Cost Silver plan 	275% FPL = 5% of HH income Net premium = HH Income * % of income = \$84,000 * 5% = \$4,200/year
4. Calculate tax credit needed to achieve annual net premium in Second Lowest Cost Silver plan	Annual APTC = SLCS premiums – Net Premium = \$13,200 - \$4,200 = \$9,000/year or \$750/month
5. Calculate how much Advance Premium Tax Credit is available for remainder of the year	APTC Used So Far = \$1,000 * 6 months = \$6,000 APTC Remaining = Annual APTC – APTC Used = \$9,000 - \$6,000 = \$3,000 or \$500/month (for 6 months)

** Example includes approximations for illustrative purposes, assumes max Advance Premium Tax Credits used each month, enrolled for 12 months.

Household = HH
Federal Poverty Level = FPL
Second Lowest Silver Cost = SLSC
Advance Premium Tax Credit = APTC

Advance Premium Tax Credit Calculations

Example 3 – Income Change

- 1/1 – Enrolled with annual income \$60,000 (example 1)
 - \$60,000 income = Advance Premium Tax Credits \$12,000/year or \$1,000/month
- 7/1 – Change annual income to \$84,000 (example 2)
 - \$84,000 income = Advance Premium Tax Credits \$9,000/year or \$750/month

	Annual Income	APTC Used (per month)
Jan	\$ 60,000	\$ 1,000
Feb		\$ 1,000
Mar		\$ 1,000
Apr		\$ 1,000
May		\$ 1,000
Jun	V	\$ 1,000
Jul	\$ 84,000	\$ 500
Aug		\$ 500
Sep		\$ 500
Oct		\$ 500
Nov		\$ 500
Dec	V	\$ 500
Year End	\$ 84,000	\$ 9,000

 **Method B** – Monthly Advance Premium Tax Credits calculated for remainder of year

Max Annual APTC = \$9,000 / year 

Section Recap

1. The **Pennie system is the authoritative source on calculations of financial help eligibility**, which is based on application information. The detailed explanation in this section is intended to provide background on what factors are used in premium tax credit calculations to underscore the importance of updating household income and size information.
2. Remember: Pennie enrollees can avoid owing back Premium Tax Credits by **promptly updating household changes** in the Pennie application.
3. For consumers who have highly uncertain incomes, they can elect to take less Advance Premium Tax Credit to help avoid owing it back at tax time if the income is higher than projected.



Questions & Feedback

We Want to Hear From You



Questions & Feedback – Always Welcome



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brokers@pennie.com

assisters@pennie.com