



Health Reform Watch

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In preparation for today's tax filing deadline, the federal government released new resources aimed to assist consumers with ACA-related tax filing implications. In addition, HRSA/HAB released long-awaited guidance on the premium tax credit reconciliation process for Ryan White Program grantees. Meanwhile, a new Kaiser Family Foundation report projects the impact of advanced premium tax credit reconciliation on (Qualified Health Plan) QHP enrollees. Finally, the Centers for Medicare and Medicaid Services (CMS) announced that nearly 12 million consumers successfully enrolled in QHP coverage during this past open enrollment.

NASTAD is always interested in hearing about specific state processes related to health reform implementation. Please contact [Amy Killelea](#) or [Xavior Robinson](#) to share activities or specific documents that have been created

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From the NASTAD Blog: The Most Recent Health Reform Posts

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- [Open Enrollment 2015: Are You Ready?](#)

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Federal Implementation Updates

HRSA/HAB Releases Updated Policy Clarification on Premium Tax Credit Reconciliation Process

- **ACTION STEP:** Develop policies and procedures to assist clients during the reconciliation process; report implementation challenges and questions to NASTAD.

HRSA/HAB released an updated [Policy Clarification Notice 14-01](#), with new guidance on the premium tax credit reconciliation process. The guidance clarifies two scenarios: one in which a client is owed a refund in premium tax credits from the Internal Revenue Service (IRS) and one in which a client owes a premium tax credit amount back to the IRS as a result of

reconciliation.

Scenario One: Recouping Premium Tax Credit Refunds

If a client was underpaid in advance premium tax credits throughout the year (e.g., the client's actual income as reported on the federal tax return was lower than that used to determine eligibility for the advance premium tax credit), the client will receive a refund from the IRS when filing federal taxes. If a Ryan White Program grantee or sub-grantee was paying the remaining premium amount on behalf of clients, the refund is owed to the grantee or sub-grantee, not the client. In this scenario, HRSA clarifies that:

- Grantees and sub-grantees must put in place policies and procedures to “vigorously pursue” any IRS refunds that clients receive as a result of premium tax credit reconciliation. Grantees and sub-grantees must document the steps that were taken to pursue obtaining these refunds from clients.
- HRSA has clarified that recovered excess premium tax credit refunds are not considered program income. As such, grantees and sub-grantees must use recovered excess premium tax credits in the Health Insurance Premium and Cost-sharing Assistance service category in the grant year when the refund is received by the grantee or sub-grantee.

Scenario Two: Assisting Clients with Payment of Tax Liabilities to the IRS as a Result of Premium Tax Credit Reconciliation

If a client was paid an excess amount in advance premium tax credits (e.g., the client's actual income as reported on the federal tax return was higher than that used to determine eligibility for the advance premium tax credit), the client is liable for the overpayment and must include that payment when filing federal taxes to the IRS. In this scenario, HRSA clarifies that:

- When a client owes money to the IRS as a result of premium tax credit reconciliation, Ryan White Program grantees and sub-grantees may pay the IRS this amount on behalf of the client.
- Grantees and sub-grantees are responsible for establishing and maintaining policies and procedures for coordinating payments to the IRS (direct payments to clients are prohibited).
- The payment to the IRS must be made from funds available in the year when the tax liability is due, even if the premiums that generated the tax liability were incurred in a previous funding year.

Grantees and sub-grantees may only pay the amount directly attributed to the reconciliation of the premium tax credits; under no circumstances can Ryan White Program funds be used to pay the fee/penalty for a client's failure to enroll in minimum essential coverage.

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CMS and IRS Release Updated Resources for Tax Filing

- **ACTION STEP:** Direct clients to tax preparation resources.
- **ACTION STEP:** Contact NASTAD for assistance with navigating the tax reconciliation process.

On March 20, the Centers for Medicare and Medicaid Services (CMS) released two resources to support consumer enrollment in Qualified Health Plans (QHPs), and navigate the reconciliation of advanced premium tax credits.

First, in conjunction with the Internal Revenue Service (IRS), CMS provided an [update](#) regarding the status of the more than 800,000 inaccurate [IRS 1095-A](#) Forms that were sent to QHP enrollees in January and February. Of note, the IRS asserts that all affected enrollees should have electronic access to an updated form through their respective Marketplaces, or by calling 1-800-318-2596 (for federally-facilitated Marketplace enrollees).

Next, CMS [announced](#) a new [special enrollment period \(SEP\)](#) for individuals and families who were assessed an individual shared responsibility penalty in 2014 and were unaware of the implications of not having insurance coverage. The SEP applies to the federally-facilitated Marketplace. An eligible individual must meet all of the following criteria:

1. The individual did not know that the health care law required the individual or the individual's household to have health coverage until after February 15, 2015, or did not understand how that requirement would affect the individual or the individual's family;
2. The individual owed a fee for not having coverage or an exemption for one or more months in 2014; and
3. The individual is not already enrolled in minimum essential coverage for 2015

Finally, the IRS also released [frequently asked questions](#) (FAQ) that stated that enrollees who have already filed their taxes based on an inaccurate 1095-A do not need to file an amended tax return. In these instances, the IRS will not pursue collection of any outstanding balance.

As a reminder, the 1095-A is a Marketplace-generated form that accounts for the amount of advance premium tax credit that enrollees received during the course of the 2014 benefit year. Form 1095-A should be used in conjunction with [Form 8962](#) to compete federal tax filings. Check out NASTAD's [issue brief on the ACA and Federal Tax Filing](#) for more information.

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Nearly 12 million People Enrolled in QHP Coverage during Open Enrollment

- **ACTION STEP:** Screen remaining uninsured clients for special enrollment period (SEP) eligibility.

On March 10, CMS released a report indicating that more than 11.6 million people enrolled (or were re-enrolled) into QHP coverage via Marketplaces during the Affordable Care Act's (ACA) second open enrollment period. For the first time, the report included financial information. Highlights included:

- More than 8.84 million people selected or were automatically reenrolled in 2015 plans through the Marketplaces in the 37 states that are using the HealthCare.gov platform. This includes:
 - More than 4.6 million new consumers, 2.2 million active re-enrollees, and nearly 2.0 million automatic re-enrollees
 - 3.2 million (36 percent) people with plan selections who are under the age of 35
 - Nearly 2.85 million people selected or were automatically reenrolled into 2015 plans through the Marketplaces in the 14 states (including DC) that are using their own Marketplace platforms in 2015
- Nearly 7.7 million people (or 87 percent of enrollees) who selected a 2015 plan through federally facilitated Marketplaces qualify for an advance premium tax credit, with an average value of \$263 per person per month. Among these individuals:
 - The average advance premium tax credit covers about 72 percent of the gross premium for individuals who qualify for an advance premium tax credit.
 - The average net premium is \$101 per month among individuals who qualify for an advance premium tax credit.
 - Overall, more than half (55 percent) of the 8.8 million individuals had a monthly premium of \$100 or less after applying the advance premium tax credit

As reminder, consumers may be eligible for QHP enrollment outside of open enrollment via a special enrollment period (SEP). The Healthcare.gov screening tool can be found [here](#).

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Kaiser Family Foundation Report Explores the Potential Impact of the Tax Reconciliation Process

- **ACTION STEP:** Implement policy to vigorously pursue client tax refunds that resulted from an overpayment of the APTC.

On March 24, the Kaiser Family Foundation released a [report](#) that estimates the impact of the tax reconciliation process. The report predicts that between three and five percent of tax filing households will need to reconcile the advanced premium tax credit. Of all advance premium tax credit recipients, 50 percent are projected to have received an overpayment and therefore generate a tax liability while 45 percent received an underpayment and will receive a tax refund. The average liability owed is projected to be \$794,

while the average refund will be \$773.

As a reminder, the ACA caps the repayment of tax liability resulting from the overpayment of the advance premium tax credit for individuals and families under 400% of the federal poverty level (FPL). The table below shows the cap structure.

Click to enlarge

Annual 2014 Income (as a % of 2013 FPL)	Maximum repayment amount for a single individual	Maximum repayment amount for couples and families
100% to <200%	\$300	\$600
200% to <300%	\$750	\$1,500
300% to 400%	\$1,250	\$2,500
Greater than 400% FPL	Full amount	Full amount

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State Implementation Updates

HHS Report Explores Economic Impact of Medicaid Expansion

- **ACTION STEP:** Monitor and participate in state Medicaid planning to ensure that Medicaid expansion plans meet the affordability, care, and treatment needs of people living with HIV and viral hepatitis.

On March 23, the Department of Health and Human Services (HHS) released a report that explores the economic opportunity cost of not choosing to expand Medicaid. Specifically, the report estimates losses in job and economic growth across ten non-expansion states. Of note, states that choose not to expand their Medicaid programs as of July 2014 would forego an estimated \$88 billion in federal funding from 2014-2016 and would reduce the nation's economic output by approximately \$66 billion through 2017. The table below summarizes the report's findings.

Table 1: State Supported Studies of Estimated Impacts of the Medicaid Expansion

	Study Time Period	Estimated Economic Impact ²	Estimated Job Growth
Alabama	2014-2020	\$20 billion	30,700*
Alaska	2014-2019	\$2.33 billion	3,700
Arkansas	2014-2020	\$9.25 billion	8,500
California	2014-2019		100,000*
Colorado	2014-2025	\$4.4 billion	22,388
Florida	2014-2016	\$8.9 billion	71,300
Georgia	2014-2023	\$8.2 billion	70,343
Idaho	2014-2024	\$2.99 billion	11,247
Indiana	2014-2020	\$2.4-\$3.4 billion	33,371
Illinois	2014-2016	\$2.6 billion	19,800
Kentucky ³	2014-2016	\$1.7 billion	14,700
Louisiana	2014-2016	\$1.8 billion	15,600
Maine	2014-2016	\$350 million	3,100
Maryland	2014-2020	\$3.3 billion	26,970
Michigan	2014-2016	\$2.1 billion	18,000
Missouri	2014-2020	\$9.6 billion	22,175
Montana	2014-2021	\$3.8-\$4.2 billion	11,500*
Nebraska	2014-2020	\$4.9-\$5.9 billion	10,770*
New Mexico	2014-2020	\$4.8 -\$8.6 billion	6,001
North Carolina	2014-2021	\$1.4 billion*	23,000
Ohio	2014-2022	\$18.6-\$19.8 billion	27,056 – 31,872
Oregon	2014-2020		29,100
Pennsylvania	2014-2020	\$3.2 - \$3.6 billion	35,000
Texas	2014-2023	\$270 billion	3.2 million person years
Virginia	2014-2019	\$3.9 billion*	30,000
Wisconsin	2014-2016	\$1.3 billion	10,500

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CMS Previews New QHP Rating Tool

- **ACTION STEP:** Conduct thorough assessment of Qualified Health Plans (QHP).

On March 3, CMS [released](#) a frequently asked questions (FAQ) document unveiling a new QHP rating tool. The tool will be based on a five-star rating system of plan quality and applies to federally-facilitated Marketplaces. The tool is scheduled to be available in Fall 2016 and will offer consumers a snapshot of how plans compare nationally across a variety of customer services and health outcome measures. More information on QHP rating can be found in this [CMS issue brief](#) released on October of 2014.

Please note that it does not appear that this Quality Rating System will include HIV-specific measures. For more information on conducting a thorough plan assessment, please check out this [NASTAD issue brief](#).

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Spotlight on Hepatitis

PCORI Announces \$50 Million Investment in Comparative

Effectiveness Research for HCV Treatments

- **ACTION STEP:** Explore opportunities to include viral hepatitis considerations in QHP plan assessment.

The [Patient-Centered Outcomes Research Institute](#) (PCORI) announced a \$50 million funding opportunity to explore the comparative effectiveness of hepatitis C treatments. PCORI is an independent nonprofit organization that was established by the ACA to help patients, clinicians, purchasers and policy makers make better-informed health decisions by “advancing the quality and relevance of evidence about how to prevent, diagnose, treat, monitor and manage diseases, disorders and other health conditions.” With this announcement, PCORI seeks to invest in studies that examine the following research questions:

- How do new regimens of oral antiviral medications for the treatment of hepatitis C infection compare in long-term virologic response and adverse effects?
- What are the comparative benefits and harms of treating patients with hepatitis C infection at the time of diagnosis versus waiting to treat only those patients who show early signs of progression of liver disease or other manifestations of hepatitis C infection?
 - What are the predictive factors of liver disease progression? How can they be combined to predict patients at low risk of progression?
- Which HCV screening methods, confirmatory testing strategies, and clinical settings lead to the best rates of detection and linkage to treatment?
- What is the comparative effectiveness of interventions to support the care of hard-to-treat patients with chronic hepatitis C infection (e.g., substance abusers, persons with complex medical regimens, the mentally ill), as measured by receipt of treatment, medication adherence, patient quality of life and sustained viral response?

Letters of intent for this announcement were due by March 6, and the final application is due on May 5.

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Health Reform Resources

- **NEW** The Center on Budget and Policy Priorities [Health Reform: Beyond the Basics](#) website
- The [ACE TA Center](#) has introduced eight new [tools and resources](#) to support culturally competent enrollment of people of color living with HIV in health insurance. They have also announced upcoming training opportunities to help grantees learn about each of these new tools and resources.
- [NASTAD Health Reform Resources](#)

- [Speak UP!](#) is a project helping people living with HIV get the care they need through health care reform. This national project monitors, catalogs, and analyzes the problems experienced by people with HIV in the new health care system.
- Kaiser Family Foundation, [Greater than AIDS Obamacare & You](#)
- [Robert Wood Johnson Foundation Navigator Resource Guide](#)
- TARGET Center, [Health Reform Resource Bank](#), which includes ACA learning modules and links to other federal and state health reform implementation resources.
- HRSA/HAB, [Resources on Ryan White and the Affordable Care Act](#)
- Georgetown Health Policy Institute's [Center for Health Insurance Reforms Blog](#)
- [HIV Health Reform](#)
- [State Refo\(ru\)m](#)
- [Center for Consumer Information and Insurance Oversight \(CCIIO\)](#)
- [Kaiser Family Foundation Health Reform](#)
- [Enroll America](#)
- [Out2Enroll](#)

For questions or to offer suggestions for NASTAD health reform resources that would be helpful to your program, please contact [Amy Killelea](#) or [Xavior Robinson](#).

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