

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: 10/23/2023

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

As a result of the Inflation Reduction Act, there is no upper income limit to be eligible to receive APTCs through Plan Year 2025. Any individual who purchases coverage through the Health Connector may receive APTCs, even if their income is greater than 400% FPL, so long as the annual premium for the second lowest cost silver plan for their household exceeds 8.5 percent of their annual household income and they meet other non-income criteria to receive APTCs.³

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.⁴
 - 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;

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 *As described in § 12001 of the Inflation Reduction Act of 2022*

⁴ *Please reference 26 CFR 1.36B-3*

⁵ *As described in § 81 of Chapter 28 of the Acts of 2023*

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