



Louisiana Health Access Program

2019 Open Enrollment Debrief & Tax Filing Considerations

Open Enrollment 2019

2019 LA HAP Enrollment Summary

- 382 clients newly insured in 2018 → **327 newly insured in 2019**
- Uninsured rate has fallen **72%** over the past 4 years
 - Current uninsured rate= **8.9%**
 - *Compared to 9.3% at same time last year*
- **1,411** clients have opted into the LA HAP/Guardian Dental Plan

The changing LA HAP population

Insurance Status	Post-Open Enrollment 2018	% of total client pop	Post-Open Enrollment 2019	% of total client pop	Change
Privately insured	2,133	57.2%	2,120	58.4%	-13
Medicare	1,223	32.8%	1,183	32.6%	-40
Medicaid (HCV sub-program)	27	0.7%	2	<0.1%	-25
Uninsured	348	9.3%	323*	8.9%	-25
TOTAL	3,731		3,628		-103

**56 clients, or 17% of the total uninsured, have dental insurance but no health insurance.*

THANK YOU!!



Look How Far We've Come!

Reconciliation of 2018 Federal Taxes

What is the (Advance) Premium Tax Credit?

- A tax credit offered to Health Insurance Marketplace consumers between 100-400% FPIG
 - This is different from the Cost-Sharing Reductions (CSRs) available to consumers between 100-250% FPIG who purchase a Silver-level plan. The CSR is a simple discount on health insurance costs that is given automatically and has nothing to do with taxes.
- The tax credit can be taken at the time of enrollment (Advance Premium Tax Credit [APTC]) or when filing taxes
 - LA HAP requires Marketplace clients to take the entire credit in advance
- Anyone who takes an APTC must **reconcile** this credit on their taxes

What is tax reconciliation?

If you had a Marketplace plan and used advanced payments of the premium tax credit (APTC) to lower your monthly payment, you'll have to "reconcile" when you file your federal taxes. This means you'll compare 2 figures:

- The amount of premium tax credit you used in advance during the year. (This was paid directly to your health plan so your monthly payment was lower.)
- The premium tax credit you actually qualify for based on your final income for the year.

Any difference between the two figures will affect your refund or tax owed.

Why is this a priority for LA HAP?

- Failure to file → Loss of Premium Tax Credit → Increase in future premium
- Average premium costs for LA HAP
Marketplace clients have increased significantly over time.
 - Average BCBSLA premium cost, July 2016: **\$471**
 - Average BCBSLA premium cost, January 2017: **\$687**
 - Average BCBSLA premium cost, January 2018: **\$994**
 - Average BCBSLA premium cost, January 2018: **\$838**
- Possible future actions
 - Requiring enrollment in particular plans
 - Requiring tax returns as part of LA HAP eligibility

PLEASE help us by encouraging your clients to file taxes and directing them to resources!



Tax Filing: What's new this year

- Forms 1040-A, 1040-EZ are discontinued
- Form 1040 simplified, with supplemental Schedules 1-6 to be added in complex tax cases
- Addition of Schedules 2 and 5 to report on premium tax credits
- 2018 is the last tax year for which an “Individual Shared Responsibility Payment” (tax penalty) will be assessed for anyone who did not have health insurance in 2018
 - This penalty will be reduced to \$0 starting with the 2019 tax year in most states, including Louisiana

Who needs to file in 2019?

- 2018 Tax year filing threshold information
- If your income was below the tax filing threshold in 2018:
 - You MUST file only if you took an Advanced Premium Tax Credit (very rare situation)
 - You CAN file to see if you are eligible for a refundable credit or return of income tax
- If your income was above the tax filing threshold in 2018:
 - You MUST file in most circumstances, including:
 - If you took an Advanced Premium Tax Credit **so you can reconcile your tax credit**
 - **This is both an IRS and a LA HAP requirement**

Forms to expect in the mail

Tax Form	Description
Form 1095-A	Form generated by the Marketplace and sent to anyone receiving APTC
Form 1095-B	Form sent by the insurer to the insured verifying individual had coverage
Form 1095-C	Form sent by employer to the employee verifying whether the individual had coverage
Form 8962	Addendum to tax return documenting APTC reconciliation
Form 8965	Addendum to tax return documenting any exception to the requirement to have minimum essential coverage

Source: Target Center
webinar,
https://careacttarget.org/sites/default/files/supporting-files/ACE_taxes_health_coverage_presentationslides.pdf

How to file (full-year coverage) (1)

- **Employer-based coverage:**
 - Receive Form 1095-C, use to complete federal tax return. Nothing to reconcile.
- **Other coverage (e.g. off-Marketplace plan, Medicare, Medicaid):**
 - Receive Form 1095-B (usually but not always), use to complete federal tax return. Nothing to reconcile.

Check the box for “full year coverage” on Page 1 of Form 1040

How to file (full-year coverage) (2)

- **Marketplace plan, advance premium tax credit:**
 - Receive Form 1095-A, check information for correctness, “reconcile” on Form 8962, attach Form 8962 to federal tax return
- **Marketplace plan/individual market plan, NO advance premium tax credit:**
 - Receive Form 1095-A or 1095-B, check information for correctness, file federal return

Check the box for “full year coverage” on Page 1 of Form 1040

Marketplace plan with APTC (1):

- Get Form 1095-A by mail, or download from your healthcare.gov account
- Double-check information and call Marketplace Call Center (not IRS) if there's a problem
- Print Form 8962: Premium Tax Credit and instructions from IRS website

- **Line 26** (if applicable): amount in tax credits that you **OVERPAID** and for which you are entitled to a **refund**
- **Line 29** (if applicable): amount in tax credits that you **UNDERPAID** and for which you **owe** the IRS

Form 8962 Department of the Treasury Internal Revenue Service	Premium Tax Credit (PTC) ▶ Attach to Form 1040 or Form 1040NR. ▶ Go to www.irs.gov/Form8962 for instructions and the latest information.	OMB No. 1545-0074 2018 Attachment Sequence No. 73
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26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 5 (Form 1040), line 70, or Form 1040NR, line 65. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27	26	
Part III Repayment of Excess Advance Payment of the Premium Tax Credit			
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27	
28	Repayment limitation (see instructions)	28	
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 46, or Form 1040NR, line 44	29	

Marketplace plan with APTC (2):

If you underpaid throughout the year:

- You will need to complete Form 1040, Schedule 2
- Enter Line 29 of Form 8962 in Line 46 of Schedule 2

SCHEDULE 2 (Form 1040)		Tax		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		2018 Attachment Sequence No. 02	
Name(s) shown on Form 1040				Your social security number	
Tax	38-44	Reserved		38-44	
	45	Alternative minimum tax. Attach Form 6251		45	
	46	Excess advance premium tax credit repayment. Attach Form 8962		46	
	47	Add the amounts in the far right column. Enter here and include on Form 1040, line 11		47	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71478U Schedule 2 (Form 1040) 2018

Marketplace plan with APTC (3):

If you overpaid throughout the year:

- You will need to complete Form 1040, Schedule 5
- Enter Line 26 of Form 8962 in Line 70 of Schedule 5

SCHEDULE 5 (Form 1040)		Other Payments and Refundable Credits		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		2018 Attachment Sequence No. 05	
Name(s) shown on Form 1040				Your social security number	
Other Payments and Refundable Credits	65	Reserved	65		
	66	2018 estimated tax payments and amount applied from 2017 return	66		
	67a	Reserved	67a		
	b	Reserved	67b		
	68-69	Reserved	68-69		
	70	Net premium tax credit. Attach Form 8962	70		
	71	Amount paid with request for extension to file (see instructions)	71		
	72	Excess social security and tier 1 RRTA tax withheld	72		
	73	Credit for federal tax on fuels. Attach Form 4136	73		
	74	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	74		
75	Add the amounts in the far right column. These are your total other payments and refundable credits. Enter here and include on Form 1040, line 17.	75			

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71482C Schedule 5 (Form 1040) 2018

*AND you will have
to reconcile with
LA HAP.*

Marketplace plan, no APTC

File anyway! This increases the chances that you will be eligible for a tax credit next year.

What to remember about PTCs

- Tips for easy (or no) reconciliation: report family size and income changes to the Marketplace throughout the year
- Any refund or liability related to health insurance is not separated out from the overall refund or liability on the federal tax return
 - Example: You are owed a **refund of \$540** in income tax. After reconciliation, you also owe **\$200 in underpaid premiums** for health insurance. On your federal return, you are therefore entitled to a net refund of $(\$540 - \$200) = \text{\$340}$.
 - Certain boxes on the 1040 form indicate which portion of the refund/liability is specifically related to health insurance (and so possibly owed to LA HAP/HIP)
 - Line **70** of **Schedule 5** for refund → **Client must reimburse HIP**
 - Line **46** of **Schedule 2** for liability → **Client should pay IRS as part of tax bill**

LA HAP Reconciliation

LA HAP Reconciliation (1)

- Unless a client paid their own health insurance premiums in 2018, any health insurance-related refund they receive is actually owed to LA HAP
 - Clients agree to this when they sign their LA HAP application
 - **Any refunds received from my insurance company/third party payer, for services rendered by LA HAP MUST be surrendered immediately to LA HAP. Failure to do so will result in disqualification from Ryan White services and constitutes fraudulent misuse of federal funding.**
- HRSA requires LA HAP and all state ADAPs to “vigorously pursue” any refund which comes to a client due to premium overpayment by the ADAP
 - Clients cannot be disenrolled from an ADAP for refusing to reconcile
 - Clients CAN be moved to medication-only assistance
 - LA HAP clients have been moved to medication-only assistance for keeping money owed to HIP

LA HAP Reconciliation (2)

LA HAP will...	We ask that you help by...
<ul style="list-style-type: none">• Send a letter and a referral to VITA sites to all LA HAP clients for whom HIP paid at least one Marketplace/individual market premium in 2018<ul style="list-style-type: none">• Some clients may no longer be enrolled in LA HAP, but may still owe part of their refund	<ul style="list-style-type: none">• Following up with your clients to make sure they received the letter• Helping them contact or make an appointment with a VITA site, if necessary• Explaining what they should expect and what they should bring with them

If LA HAP overpaid premium:

- A refund is due to LA HAP/HIP
 - Amount due: Line 26 of Form 8962/Line 70 of Schedule 5, Form 1040
- HIP should be paid directly

Repayment process

- 1) Client should cash or deposit their entire federal tax refund, if there is a refund
- 2) Determine amount owed to HIP
 - Line 26 of Form 8962/Line 70 of Form 1040, Schedule 5
- 3) Send this amount to HIP with copy of Form 8962 OR Form 1040 attached
 - Money Order preferred
 - Cash acceptable
 - Check acceptable if MO/cash not feasible (*after first NSF return, check will be prohibited*)

If refund has already been spent:

- Contact HIP to establish payment plan
- Money Order will be due monthly until balance is paid

If client paid at least 1 premium out of pocket in 2018:

- Contact HIP to determine pro-rated amount due

How do I help my clients? (1)

- 1) Identify all clients who took a subsidy
 - Information visible on premium invoice
- 2) Remind these clients that they **MUST** file taxes
 - If there is a refund on their premiums, they must repay this to LA HAP

How do I help my clients? (2)

- 1) Identify all other clients who are enrolled in a Marketplace plan WITHOUT a subsidy
 - This includes clients who are enrolled in an off-Marketplace plan
- 2) Remind them that they MUST file taxes
 - This will increase the chances that they will be eligible for a tax credit next year
 - Federal tax filing is a legal requirement for most Americans
 - Only categorical exceptions: undocumented clients, clients below the filing threshold do not need to file

How do I help my clients? (3)

- For ALL LA HAP clients:
 - Remind them of the importance of reporting income and family changes to Marketplace throughout the year
 - Can report by calling the Marketplace, or by calling their broker
 - Remind them of the importance of responding to documentation requests that are mailed to them by the Marketplace after Open Enrollment
 - Some may lose their subsidy in the middle of the year for not responding to requests


Why does this matter?

- Ensures financial solvency of LA HAP by keeping premiums as low as possible in uncertain times
 - ADAPs are legally obligated to pursue the most cost-effective coverage
- Filing taxes is the law
- Potential source of income
 - Louisianans had the 9th highest average income tax refund in the country in 2018, at \$3,367 per person (83% of taxpayers received a refund)
 - Numerous tax credits available
 - Earned Income Tax Credit for low to moderate income working individuals
 - Child and Dependent Care Credit to defray costs associated with babysitting/daycare
 - More!

Who can help my clients with taxes?

- Volunteer Income Tax Assistance Program (VITA)
 - Free for individuals:
 - generally making \$55,000 or less
 - with a disability
 - with limited English ability
- Tax Counseling for the Elderly (TCE)
 - Offers tax help for all taxpayers, prioritizes those 60 and older
 - Specializes in retirement, pension, and other senior-related issues

<https://irs.treasury.gov/freetaxprep/>

A screenshot of the IRS Free Tax Prep Help website. The browser address bar shows the URL https://irs.treasury.gov/freetaxprep/. The page has a white background with a purple header. The main heading is "Get Free Tax Prep Help" in purple. Below it, the text "The IRS Volunteer Income Tax Assistance (VITA)" is displayed. There is a search form with a "Zip Code" input field, a "within" label, a dropdown menu showing "5", and a "miles" label. A "Find >>" button is located below the search fields.

Get Free Tax Prep Help

The IRS Volunteer Income Tax Assistance (VITA)

Zip Code within miles

[Find >>](#)

Many require appointments and are only open through mid-April: call SOON!

Free online resources

- About 70% of population (most filers with income below \$66,000) eligible for free filing
 - Numerous free filing services located through [IRS partner organizations](#)
 - [IRS Calculator](#) identifies which services are **truly free** based on your income
- [Reviews.com](#)
 - Identified 3 “best” services for self-filers
 - Best range of tool: TurboTax
 - Best customer support: H&R Block
 - Cheapest: TaxAct
- [Nerdwallet](#): Comprehensive online comparison of several major online filing services, including discussion of hidden fees

Other stuff!

Guardian- enrollments

- Guardian enrollment is synced with LA HAP eligibility
 - Clients who don't recertify for LA HAP are disenrolled from Guardian on 1st of month
 - Guardian enrollment reinstated upon LA HAP recertification
 - \$5,000 annual maximum will not reset

Guardian- cards/eligibility

- If your client is missing a card:
 - Plan type: PPO
 - Group name: HAART
 - Group number: 555134
 - Member ID: Can use SSN
- Guardian, LA HAP, HIP can all confirm member enrollment

Guardian- stuff we've seen

- Dentist's office requiring client pay portion of the bill upfront
- Office does not accept any insurance
- Dentist performs service without pre-authorization from Guardian

Advice for clients:

- Stay within Guardian network
- Pay nothing upfront that you can't afford without reimbursement
- Make sure your dentist knows you've changed insurance
- Do NOT tell dentist that LA HAP/HIP will "pay for everything"
- Call us if something sounds wrong

Future of dental coverage

- Reminder: ALL clients enrolled in ANY dental plan are subject to a \$5,000 maximum on covered services
- Rules concerning non-Guardian dental plans will be changing SOON as we expect to:
 - Require better documentation UP FRONT from dental providers seeking to bill HIP for services above plan maximum set by insurer up to \$5,000
 - Follow Summaries of Benefits more closely for other situations (observe waiting periods, etc.)
- Your clients will be notified in writing of any changes before they go into effect

Please join us for a Listening Session this Friday 3/22

We are interested in your experiences with **dual eligible clients**,
including:

- What information you are receiving from Medicare, Medicaid and the MCOs about coverage
 - What out-of-pocket costs are still unmet
- Anything else new, strange, frustrating, or noteworthy!

Watch for an email after this webinar

Questions?



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