



## Application Spotlight: Employer-Sponsored Coverage

*January 23, 2015*

This session will spotlight the section of the Federally-facilitated Marketplace and State Partnership Marketplace application that captures employer-sponsored coverage information, including COBRA and retiree coverage information. For the purposes of this presentation, an assister includes Navigators, certified application counselors (CACs), and non-Navigator assistance personnel. This presentation highlights how assisters can help consumers answer questions regarding employer-sponsored coverage and guidance on assisting consumers that have COBRA and retiree coverage.

This training module was developed and approved by the Centers for Medicare & Medicaid Services (CMS), the federal agency that administers Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and the Federally-Facilitated Health Insurance Marketplaces.

The information in this module was current as of January 2015.

Please note that the information presented is informal, technical assistance for assisters and is not intended as official CMS guidance.

## Employer-Sponsored Coverage Verification

- When assisting consumers applying for health coverage and insurance affordability programs with completing the Marketplace application via the online or paper process, assisters should remind consumers to use the employer coverage tool to provide valid information regarding their access to employer-sponsored coverage.
- The Marketplace will match consumers' information to data from the federal Office of Personnel Management and the Small Business Health Options Program.
- [www.healthcare.gov/downloads/employer-coverage-tool.pdf](http://www.healthcare.gov/downloads/employer-coverage-tool.pdf).

## Employer-Sponsored Coverage and APTC and CSR

- Determining whether someone has access to employer-sponsored coverage is one component of the process for determining eligibility for advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSR) available to support the purchase of qualified health plan coverage through the Health Insurance Marketplace and to reduce an enrollee's cost-sharing obligations under such coverage, respectively.
- If consumers are currently enrolled in employer-sponsored coverage or eligible for employer-sponsored coverage that is affordable and meets the minimum value standard, then they are not eligible for APTC and CSR.

## What Is Considered “Affordable” Employer-Sponsored Coverage?

- Affordability is calculated by comparing the employee’s share of the annual premium for self-only coverage under the employer-sponsored coverage to the employee’s annual household income.
- To be deemed affordable in 2015, the employee’s share of the annual premium for self-only coverage must not be more than 9.56% of annual household income.

## Minimum Value Standard

- A health plan meets the minimum value standard if it's designed to pay at least 60% of the total allowed cost of benefits for a standard population. An eligible employer-sponsored plan provides minimum value only if the plan's share of the total allowed costs of benefits under the plan is at least 60%, that is, the employee's cost-sharing (deductibles, co-pays, and co-insurance) under the plan is no more than 40% of the cost of the benefits. This percentage is based on actuarial principles using benefits provided to a standard population and is not based on what you actually pay for cost-sharing.
- For assistance in answering this question, consumers can ask their employer for help figuring out if the plan offered meets the minimum value standard. One way to gather this information is by consumers asking their employer to fill out an "Employer Coverage Tool."

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The Employer Coverage Tool can be found here:

<https://www.healthcare.gov/downloads/employer-coverage-tool.pdf>.

# Enrollment in Employer-Sponsored Coverage

GET STARTED

FAMILY & HOUSEHOLD

INCOME

ADDITIONAL INFORMATION

1 Susan Griffith

2 Other questions

REVIEW & SIGN

Medicare

TRICARE (Don't choose this if you have Direct Care or Line of Duty)

VA health care program

Peace Corps

Individual insurance (non-group coverage)

None of these

**Is Susan Griffith currently eligible for health coverage through a job (even if it's through COBRA or from another person's job, like a spouse or parent/guardian)?**

Select "Yes" if you could've enrolled in employer coverage for this year, even if the enrollment period for the employer coverage is over. [Learn more about how to answer this question.](#)

Yes

No

SAVE & CONTINUE

EDIT

This screenshot displays the question that begins the section collecting information about any access to employer-sponsored coverage.

For consumers who can enroll in health coverage through a job for 2015 (even if it's through COBRA or another person's job, like a spouse), but the enrollment period for the job-based coverage is closed, they still need to select yes to the question. Additional questions in this section will collect information about the coverage the consumer is eligible for to determine whether such coverage disqualifies the consumer from eligibility for advance payments of the premium tax credit, such as information about the employee, whether the plan offered provides minimum value, the cost to cover only the employee under the plan, and other information.

# Cost of Premium for Employer-Sponsored Coverage

Application ID: 907562500

- GET STARTED
- FAMILY & HOUSEHOLD
- INCOME
- ADDITIONAL INFORMATION
  - 1 Susan Griffith
  - 2 Other questions
- REVIEW & SIGN

### Tell us about XYZ's health coverage.

First, print out and take the [Employer Coverage Tool](#) to XYZ to collect the information you need for this section to fill out the application. Instructions on the Employer Coverage Tool provide a step-by-step guide for using the tool to answer the questions in this section.

Does XYZ offer a health plan that meets the minimum value standard?

Yes  
 No  
 I don't know

For the lowest-cost plan available only to Susan Griffith that meets the minimum value standard:  
Most health plans offered by employers meet the minimum value standard. Only tell us about self-only plans offered to this employee. [\[Learn more about how to answer this question\]](#)

How much is the premium for this plan?

If the employer offers wellness programs, enter the premium that the employee would pay if the employee got the maximum discount for any tobacco cessation programs and didn't get any other discounts based on wellness programs.

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I don't know

How often would the employee pay this amount?

Monthly

The questions displayed on this screen collect information to determine whether an individual has access to employer-sponsored coverage that meets the minimum value standard and is deemed affordable. As a reminder, an individual can use the employer coverage tool to obtain information about whether the employer offers plans that meet the minimum value standard and whether the premium amount for the employer-sponsored coverage is affordable.

If a consumer is eligible for health coverage through someone else's job, he or she should answer the question about how much the coverage would cost by providing the amount that the employee would pay for a plan that would only cover the employee. For example, above, Susan Griffith is applying for coverage, but is only eligible for coverage through her husband's job. Even though the application says, "How much would SUSAN GRIFFITH have to pay in premiums for this plan?" Susan should still enter the amount that the employee (her husband) would pay for the lowest cost plan that would ONLY cover him, as well as how often a payment is being made. When determining eligibility for advance payments of the premium tax credit, the employee-only cost of coverage is what matters, even if the employee isn't asking for the tax credit for themselves. The law specifies that the cost of coverage for other family members does not determine whether the coverage offered is affordable for the family, so the consumer won't need to enter the cost of family coverage anywhere on the application.

## COBRA and the Marketplace

- When a consumer leaves a job, federal law provides that he or she may be able to keep job-based health coverage for a period, usually up to 18 months. This is called COBRA continuation coverage.
- During the Open Enrollment period and any applicable special enrollment period, consumers can voluntarily drop their COBRA coverage and get a plan through the Marketplace instead. This is true even if a consumer's COBRA coverage hasn't run out.
- Outside of the Open Enrollment period, consumers cannot voluntarily drop their COBRA coverage and get a plan through the Marketplace instead.
- If a consumer's COBRA coverage is expiring outside Open Enrollment, he or she qualifies for a Special Enrollment Period (SEP). In such cases, consumers can enroll in individual market coverage, such as under a qualified health plan through the Marketplace, outside Open Enrollment.
- If a consumer is ending his or her COBRA coverage early outside Open Enrollment, the consumer may not qualify for an SEP based on the loss of COBRA coverage, and can't enroll in a qualified health plan through the Marketplace, with or without lower costs, until Open Enrollment or until he or she qualifies for an SEP.

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COBRA continuation coverage qualifies as [minimum essential coverage](#). This means if a consumer has COBRA coverage he or she doesn't have to pay the fee that consumers without coverage may have to pay.

## COBRA and Retiree Coverage

- An individual is not eligible for APTC/CSRs if he/she is enrolled in COBRA or retiree coverage.
- The availability of COBRA and retiree coverage does not prevent a former employee from qualifying for APTC/CSRs. However, the minimum value and affordability standards does not apply to current employees with COBRA and retiree coverage.
  - The Marketplace application skips the questions related to affordability and minimum value if a consumer attests to having access to COBRA or retiree coverage.

# Indicating COBRA Coverage

The screenshot shows a web application interface for Arizona. At the top, there are navigation tabs: "Arizona", "Apply" (highlighted), "Get Results", and "Get Coverage". A "HELP" icon is in the top right. Below the tabs, the application ID "110418810" is displayed. A progress bar on the left shows steps: "GET STARTED", "FAMILY & HOUSEHOLD", "INCOME", "ADDITIONAL INFORMATION" (with a sub-step "1 John Smith" selected), "2 Other questions", and "REVIEW & SIGN". The main content area contains three questions:

- Question 1: "Is John Smith a current or former employee of this employer?" with radio buttons for "Yes" (selected) and "No".
- Question 2: "What's John Smith's current work status at Bebe's Pet Shop? (Select one.)" with a dropdown menu showing "No longer working at this emplo".
- Question 3: "Is the coverage from Bebe's Pet Shop COBRA coverage?" with radio buttons for "Yes" (selected) and "No". A link "Learn more about COBRA coverage." is provided below this question.

At the bottom right of the form is a green "SAVE & CONTINUE" button. The page number "10" is visible in the bottom right corner.

To indicate that an individual's employer-sponsored coverage is COBRA, an individual would make the selections as shown in the screenshot. If the person has access to COBRA, they would select "no longer working at this employer". For the next question about whether the employer coverage is COBRA, they would select "Yes". Because a former employee is eligible for COBRA coverage for purposes of qualifying for APTC/PTC only if the individual enrolls in the coverage, questions about affordability and minimum value standards will be skipped.

# Indicating Retiree Coverage

Arizona **Apply** Get Results Get Coverage HELP

Application ID: 110418810

- ✓ GET STARTED
- ✓ FAMILY & HOUSEHOLD
- ✓ INCOME
- 4 ADDITIONAL INFORMATION
- 1 John Smith**
- 2 Other questions
- REVIEW & SIGN

Is John Smith a current or former employee of this employer?

Yes  
 No

What's John Smith's current work status at Bebe's Pet Shop? (Select one.)

Retired

Is John Smith's coverage from Bebe's Pet Shop a retiree health plan?

Yes  
 No

Other

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To indicate that an individual's employer-sponsored coverage is retiree coverage, an individual would make the selections as shown in the screenshot. If the person has access to retiree coverage, they would select "Retired" in response to the question about work status. For the next question about whether the employer coverage is a retiree health plan, they would select "Yes". Because the individual is eligible for the retiree coverage for purposes of qualifying for APTC/PTC only if the individual enrolls in the coverage, those questions about affordability and minimum value standards will be skipped.

## Losing Employer Coverage

- Consumers who lose employer-sponsored coverage generally qualify for an SEP due to loss of minimum essential coverage.
- If a spouse or dependent loses employer-sponsored coverage through a family member's employer, the spouse or dependent also may be eligible for an SEP.

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For more information see: <https://www.healthcare.gov/how-can-i-get-coverage-outside-of-open-enrollment/> and <https://marketplace.cms.gov/technical-assistance-resources/assisting-consumers-losing-coverage.pdf>.

# Questions?

- For more information on Employer-Sponsored Coverage, visit:
  - <https://www.healthcare.gov/have-job-based-coverage/>
  - <https://marketplace.cms.gov/technical-assistance-resources/training-materials/background-and-faqs-on-employer-sponsored-coverage.pdf>
- For more information on COBRA, visit:
  - <https://www.healthcare.gov/unemployed/cobra-coverage/>
- For more resources from the IRS, visit:
  - <http://www.irs.gov/Affordable-Care-Act>

## Disclaimer

This presentation contains several screenshots that include names, ID numbers, and/or specific issuers/plans. These screenshots were generated for the sole purpose of providing examples and do not disclose personally identifiable information of actual consumers. These examples are not an endorsement of specific issuers/plans.