Summary of NPRM 45 CFR Parts 155 and 157: Patient Protection and Affordable Care Act; Exchange Functions in the Individual Market: Eligibility Determinations; Exchange Standards for Employers (Released 8/12/11)

This rule proposes responsibilities of the Exchange in relations to eligibility standards, per the ACA.

1. The Exchange must determine if an individual is eligible for enrollment in Medicaid or a Qualified Health Plan (QHP) and also if QHP eligible individuals are eligible for a premium tax credit and/or cost sharing reduction and the amount of the credit and reduction. Eligibility for a QHP depends on citizenship or alien status. Eligibility for tax credits and for Medicaid will be based on Modified Adjusted Gross Income (MAGI). Medicaid eligibility extends to all individuals under 138% of the federal poverty level (FPL) and tax credit eligibility extends from 138% FPL to 400% FPL based on MAGI.
2. For eligibility determinations the Exchange will rely on the federal data hub for income and citizenship information. Individuals will also be able to self-attest to information that is not present in the federal data hub or that is different from what the federal hub shows. Attestation is not accepted for citizenship or alien status. Individuals interested in applying for coverage on the Exchange have the ability to decline to be screened for eligibility for Medicaid or a premium tax credit.
3. Individuals who receive minimum essential coverage through an employer are not eligible to receive advanced payments of premium tax credits provided that the coverage is affordable for the individual. The Exchange is responsible for verifying if an individual is eligible for minimum essential coverage from an employer as part of the tax credit eligibility process.
4. The Exchange must redetermine eligibility of an enrollee during the benefit year if new information is received by an enrollee or a data match is verified. Enrollees are responsible for reporting changes that could impact their eligibility for Medicaid, premium tax credits, or QHPs to the Exchange within 30 days of the change. The Exchange will also conduct periodic data matches with the federal hub and approved State data sources to verify that enrollee information has not changed. Any change to eligibility based on redetermination becomes valid the first day of the month after the change was reported or found.
5. Outside of eligibility redetermination based on changes in circumstances, the Exchange will annually redetermine MAGI eligibility for individuals enrolled in QHPs. Enrollees not currently receiving cost sharing subsidies or premium tax credits may request to be screened for these programs. If the Exchange finds any changes to premium tax credit, cost sharing subsidies, or QHP eligibility then it must notify the QHP issuer and transmit the information to HHS.
6. The Exchange must enter into agreements with the Medicaid Agency to enable individuals and dependents to be screened for Medicaid based on non-MAGI eligibility (for example disability). Individuals who think they are eligible for a Medicaid category other than MAGI may request to be screened for other Medicaid programs. The Exchange will also preliminarily screen for individuals potentially eligible for non-MAGI Medicaid. These individual's applications for Medicaid will be handled by the Medicaid Agency.

7. If individuals apply directly to the State Medicaid Agency and are not eligible for Medicaid based on MAGI or other categories, these individuals will be screened for tax credits and their eligibility information will be forwarded to the Exchange. All individuals have the right to appeal any eligibility determination for Medicaid, premium tax credits, cost sharing subsidies, or QHP eligibility.