

## Contents

- What are the 2020 Federal Poverty Level (FPL) income ranges?
- Why did I receive a \$0 result for State Subsidy after entering an income in the 400-600% of FPL range?
- Will State Subsidy be available for dependents if the Head of Household's Employer-Sponsored Insurance would cost more than 9.56% of the gross household income to cover dependents?
- Why don't Silver plans with Cost Sharing Reductions like Silver 94, Silver 87, and Silver 73 show up in the State Subsidy Estimator for consumers in eligible income ranges?
- How can I identify consumers in the 400-600% of FPL range who may qualify for the expanded State Subsidy?
- If a consumer has received Federal Advanced Premium Tax Credit (APTC) in the past, will they automatically have their State Subsidy amount applied if they are determined eligible?
- Are on-exchange products the lowest price choice for all consumers?
- If a consumer is determined eligible for both Federal APTC and State Subsidy, can they choose to receive only APTC and not State Subsidy?
- Are Federal APTC and State Subsidy considered "public benefits" under the new Public Charge ruling?

## What are the 2020 Federal Poverty Level (FPL) income ranges?

The [2020 FPL chart](#) is available online. In addition to showing what program(s) a consumer may be eligible for, this year's chart includes helpful visual guidelines for what forms of financial assistance—including Federal Tax Credit and/or California State Subsidy—may be available to consumers at each FPL percentage.

The [2019 FPL is available here](#) for eligibility determinations in the remainder of plan year 2019.

### Why did I receive a \$0 result for State Subsidy after entering an income in the 400-600% of FPL range?

Receiving state subsidy depends on the difference between two numbers: maximum contribution and benchmark premium. **Maximum contribution** is the amount that the consumer's household is expected to contribute toward the premium. As income rises, the household is expected to contribute a greater share (or contribution) toward the premium. The **benchmark premium** is the price of the second-lowest cost Silver plan for that consumer; the benchmark premium will vary based on a consumer's ZIP code and age. If the benchmark premium costs **less than** the maximum contribution, the household will receive \$0 in state premium, despite having a household income between 400%-600%.

The \$0 result happens more often with the state subsidy program than with APTC/CSR because the maximum contribution is lower for APTC/CSR than it is for the state program. Households in APTC/CSR income ranges are expected to contribute a smaller share of household income toward the premium. As a result, the benchmark premium often costs more than the APTC/CSR maximum contribution, and the household receives APTC/CSR to pay for the gap between the maximum contribution and the cost of the benchmark premium. In the state subsidy program for incomes in the 400-600% FPL range there is often no gap, and therefore no state subsidy will be given.

In the State Subsidy Estimator, you can check a consumer's maximum contribution and benchmark premium by clicking the "Toggle Details" button and comparing your consumer's specific numbers. If the "Your max contribution after state credits (monthly \$)" amount is **more than** the "Cost of 2<sup>nd</sup> Lowest Silver Benchmark" amount, the consumer will not be eligible for State Subsidy because they can purchase a Silver plan for less than their maximum contribution.

Below are some examples using hypothetical households in the 90210 ZIP code:

- A 30-year-old couple with a household income of \$100,000: Their **maximum contribution** would be \$1,485, and their **benchmark plan** would be \$644. Because their benchmark plan costs **less than** their maximum contribution, there is no State credit to make up the difference.
- A 30-year-old couple with a household income of \$68,000: Their **maximum contribution** is \$558, and their **benchmark plan** would be \$644. Because their benchmark plan costs **more than** their maximum contribution, they would be eligible for \$86 in State credit (\$644-\$558).

- A 63-year-old couple with a household income of \$100,000: Their **maximum contribution** is \$1,485 and their **benchmark plan** is \$1,675. Because their benchmark plan costs **more than** their maximum contribution, they would be eligible for \$190 in State credit (\$1,675-\$1,485).

### Will State Subsidy be available for dependents if the Head of Household's Employer-Sponsored Insurance would cost more than 9.56% of the gross household income to cover dependents?

No. This issue (commonly known as the "Family Glitch") is written into the original Affordable Care Act legislation. California's 2020 enactment of a State-based subsidy does not "fix" the Family Glitch. If the Head of Household receives Employer-Sponsored Insurance meeting Minimum Essential Coverage for less than 9.56% of the gross household income, no one in the household is eligible to receive Federal Tax Credits or State Subsidy.

### Why don't Silver plans with Cost Sharing Reductions like Silver 94, Silver 87, and Silver 73 show up in the State Subsidy Estimator for consumers in eligible income ranges?

The State Subsidy Estimator is a tool designed to help estimate a consumer's premium and financial help available in the form of Advanced Premium Tax Credits (APTC) or the new State Subsidies. Cost Sharing Reductions (CSRs) do not change the **premium price**, which is the same regardless of whether an on-exchange Silver plan includes CSRs. However, CSRs give consumers lower **out-of-pocket costs** when they use their insurance (e.g., lower co-pays and deductibles). The on-exchange Silver pricing is representative of the premium price whether it is a standard Silver 70 or a Silver plan that includes CSRs.

### How can I identify consumers in the 400-600% of FPL range who may qualify for the expanded State Subsidy?

Covered California has developed [Enrollment Trend Heat Maps](#) that can help you:

- Increase consumer enrollments by marketing in areas where new enrollment has remained the highest throughout the five-year period.
- Identify and support the communities that need your in-person assistance the most.
- Help you plan and strategize your outreach, education, and enrollment efforts.

Additionally, Covered California will soon publish maps identifying census tracts by populations of individuals aged 55-64 and within the 400-499% of federal poverty level. This demographic profile is most likely eligible to receive financial help from State Subsidy.

### **If a consumer has received Federal Advanced Premium Tax Credit (APTC) in the past, will they automatically have their State Subsidy amount applied if they are determined eligible?**

Yes—but only if their Consent for Verification is still current. If a consumer’s Consent for Verification is still current, the eligibility for both Federal APTC and State Subsidy will be run when their renewal is processed.

Encourage your consumer to log into their CalHEERS Portal (CoveredCA.com account). Then:

1. Go to **“More Actions”** on the bottom-right of the page.
2. Click **“Update Consent for Verification and Tax Filing Attestation.”**
3. Click the dropdown menu to choose the number of years the consumer wants to allow Covered California to automatically check their income and family size (up to 5 years).
4. Click the **“Update”** button on the bottom of the page to submit.

If you are a Certified Insurance Agent, you can check your Book of Business to view the year a consumer last provided Consent for Verification and the number of years for which the consumer provided consent, so you can determine whether the consumer’s Consent for Verification is still current.

### **Are on-exchange products the lowest price choice for all consumers?**

Not necessarily. For some consumers who are not eligible for a Cost-Sharing Reduction (CSR) Silver plan, APTC, and/or State Subsidy, an off-exchange Silver mirrored plan may be the lowest price choice. The State Subsidy Estimator will show a consumer’s available off-exchange Silver mirrored plans on the far right of the results.

### **If a consumer is determined eligible for both Federal APTC and State Subsidy, can they choose to receive only APTC and not State Subsidy?**



## State Subsidy Estimator for Enrollers Frequently Asked Questions

No: Federal APTC and State Subsidy are built together in the system. If a consumer is determined eligible for both APTC and State Subsidy, they must receive State Subsidy in order

to receive APTC. If a consumer will be determined eligible for State Subsidy and does **not** want to receive State Subsidy in advance to lower the cost of monthly premiums, they should submit an Unsubsidized Application. Even with an Unsubsidized Application, the consumer will be able to reconcile any eligible APTC or State Subsidy amounts when filing taxes.

Consumers concerned about taking excess federal tax credits and state subsidy can use the APTC slider to offset some of the total liability. Consumers are also able to overestimate their projected household income which will decrease the amount of federal tax credits and state subsidy they are eligible to in advance, while still allowing them to receive the accurate and total amount that they qualify for at tax time.

### Are Federal APTC and State Subsidy considered “public benefits” under the new Public Charge ruling?

Subsidies for health insurance coverage purchased through Covered California are **not** included in the new public charge policy released by the Federal Government in August 2019. Please see the [California Health and Human Services Agency’s Public Charge Guide](#) for further information.

**NOTE:** Immigration issues are complicated and family-specific, so Covered California encourages anyone with questions about Public Charge to contact an immigration or public benefits attorney.