

**FEDERAL INDIVIDUAL RESPONSIBILITY REQUIREMENT
 COMPARED TO
 ACA WORKING GROUP RECOMMENDATION
 BEING CONSIDERED ON FEBRUARY 14, 2018**

The federal individual responsibility provision requires individuals and families to maintain qualifying health coverage or pay a penalty on their federal taxes, unless they qualify for an exemption. Pursuant to the Tax Cuts and Jobs Act of 2017, the federal government repealed the federal individual responsibility payment effective January 1, 2019. On February 14, 2018, the DC Health Benefit Exchange Authority Affordable Care Act Working Group is considering a [recommendation](#) for a District individual responsibility requirement.

The table below reflects the ACA Working Group discussions and proposed recommendation.

Gray

ACA Working Group opted for the federal structure and had minimal discussion regarding these provisions.

Blue

ACA Working Group had significant discussion about how the District should address these provisions.

COVERAGE: What coverage meets the individual responsibility requirement?

	Federal	ACA Working Group Proposed Recommendation
Federal Programs (Medicare, Medicaid, FEHBP, VA, DOD, etc.)	✓	Same
QHP (individual and small group plans – includes ACA essential health benefits and market reform rules)	✓	Same
Large Group Plans	✓	Same
High Deductible Health Plans that meet federal rules	✓	Same
Student Health Plans	✓	Same

Peace Corps, VISTA, AmeriCorps, Corporation for National and Community Service (NCCC)	✓	Same
Health Care Sharing Ministries	✓	Same
Tribal or Indian Health Service Plans	✓	Same
Association Health Plans (AHP)	✓	<p>There is a pending federal regulation to loosen the rules regarding AHPs that could undermine the District's private health insurance market.</p> <p>Exclude from the definition of qualifying coverage future AHPs that may be permitted under these looser rules.</p> <p>AHPs that meet the requirements in place under federal law as of December 15, 2017 will meet a District individual responsibility coverage requirement.</p>
Limited/Short Term Duration Plans	Does not meet the individual responsibility coverage requirement	Same
ACA Grandfathered Plans	✓	Same
DC's Immigrant Children's Program	Undetermined	Meets the individual responsibility coverage requirement

EXEMPTIONS FROM PENALTY – Who is exempt, or can apply to be exempted, from the individual responsibility payment?

	Federal	ACA Working Group Recommendation
Individuals/families below the federal tax filing threshold	Exempt	Same
Incarcerated individuals	Exempt	Same
Those not lawfully present	Exempt	Same
Citizens living abroad and certain noncitizens	Exempt if: <ul style="list-style-type: none"> • Lived abroad at least 330 continuous days • U.S. Territory Residents • Certain resident aliens living in US 	Same
Religious Conscience exemptions	Exempt	Same
Native Americans	Exempt	Same
Hardship Exemption	Exempt through appeal to Marketplace (HHS administers for DC) and qualify based on circumstances such as eviction or foreclosure, shutoff of utilities, or sudden increase in expenses due to disaster, death in the family, domestic violence, or unanticipated family care.	Same
During residency in another state	N/A	Exempt
DC Healthcare Alliance	Does not meet the individual responsibility coverage requirement	Exempting the enrollees from the individual responsibility payment
Short term periods without health coverage	Exempt if uninsured <u>less than</u> three consecutive months (i.e. 2 months and 29 days would be fine)	Exempt if uninsured for three consecutive months or less

Affordability Exemption	<p>Exempt if the cost of coverage (either ESI or the lowest-cost bronze plan, net of APTC) would be more than 8.05% (the percentage is indexed annually).</p> <p>Apply for the exemption through an ACA Marketplace based on projected income or on the tax return.</p>	<p>Same</p> <p>Substituting a District average bronze plan as the cap.</p>
Individuals/families below a specific FPL threshold	No such exemption.	<p>Exempting low-income individuals and families, such as those under 200% of the federal poverty level or at Medicaid or other public program eligibility levels</p> <p>Does not require the tax filer to request or apply for exemption.</p>

OUTREACH AND EDUCATION:

	Federal	ACA Working Group Recommendation
Outreach and Education	IRS is permitted to send ACA marketplace information to those that are uninsured.	The District will use the tax filing process as an opportunity to conduct outreach and education regarding health coverage options for those that are uninsured.

INDIVIDUAL RESPONSIBILITY PAYMENT CALCULATION:

	Federal	ACA Working Group Recommendation
Penalty	<p>\$695 per adult/\$347.50 per child -- up to a cap of \$2085 per family</p> <p>Or</p> <p>2.5% of family income that is over the filing threshold</p> <p>Whichever is greater –</p> <p>Except that the penalty is capped at the national average bronze level health plan.</p>	<p>Same</p> <p>Substituting a District average bronze plan as the cap.</p>
Calculation	<p>Monthly penalty calculation based on 1/12 of annual amounts.</p>	<p>Same</p>
Deductions in Penalty	<p>N/A</p>	<p>If the federal government reinstates a federal individual responsibility payment, District residents will not be subject to double penalties.</p> <p>District penalty will be lessened by amount paid to Federal government.</p>