Family Glitch Final Rule Frequently Asked Questions (FAQs)

Q: When does the new rule take place?
A: While the regulation technically takes effect on December 12, the rule applies for all enrollments beginning on November 1, 2022, for plans that go into effect January 1, 2023.

Q: Can you clarify eligibility for subsidies if an employee and family split coverage between the employer plan and the Marketplace?
A: It depends on who within the family has an affordable offer of coverage. If the employee and/or the spouse have an affordable offer of coverage through their employers, they would not be eligible for subsidies in the exchange. If dependents (spouse or children) do not have an affordable offer of coverage either through the employee or spouse's employer, they would be eligible.

Q: Will there be a calculator to help determine affordability? How can we calculate affordability?
A: The Marketplace eligibility application will do the math and it will be incorporated into the eligibility results. Agents/brokers can assist clients in putting accurate information into the tool. No manual math is required to assess eligibility.

Q: Is household income for these purposes Gross or MAGI (Modified Annual Gross Income)?
A: MAGI.

Q: Will married couples still need to file a joint tax return?
A: Yes - a joint return is still generally required for a married couple to be eligible for APTCs.

Q: Does the percentage of premium contributed by the employer factor into this?
A: No, the affordability calculation is based on the employee contribution. For the employee, it's based on the lowest cost self-only premium and for other members of the tax household, it's based on the lowest cost premium that would include all family members including the employee.

Q: Can you clarify regarding household income… if two people are working, do you add both of their income together? Or just the income of the person who is being offered the group coverage?
A: The client should enter income for all members of the household. The Marketplace will use the household's expected annual income for the coverage year to determine savings for Marketplace coverage

Q: Why would the dependent affordability only be calculated on their premium and not include the employee premium
A: If the family is the employee and a dependent then dependent's affordability would be based on the employee's cost to cover the employee and the dependent.

Q: How will we verify the coverage cost for plans?
A: It is recommend that the employee use the CMS PDF worksheet to get the information from the employer.

Q: So, if a 25-year-old is eligible for their parent's coverage through work, but they're no longer a tax dependent, how does that work?
A: In that case, the 25-year-old doesn't need to enter information about the parent's coverage if the 25-year-old is applying for Marketplace coverage. The affordability rule only applies for coverage through someone else on the consumer's same tax return.

Q: Can you explain the “Employer family lowest premium” definition?
A: The new affordability rule specifies that the cost of the family premium is the employee’s cost to enroll in an employer plan that would cover the employee, the employee’s spouse if the employee is married and files a joint return with the spouse, and the dependents of the employee. This standard applies even if not all these family members are seeking coverage or if some family members are eligible for other coverage such as Medicaid.

Q: How is the employee household income information verified?
A: Data from the IRS and other electronic sources for current income data. If the electronic sources don't verify the attestation, consumers may be asked to submit proof or an explanation

Q: If an employee and their family don't have coverage and the employee joins an employer group mid-year…the family coverage is not affordable. Will the family have a qualifying event to join the marketplace outside of open enrollment?
A: In this scenario, the consumer would have to wait until the next OEP to change plans as they were uninsured.

Q: When calculating the Employee's premium, is this w/ Employer contributions?
A: No. If the premium is $1000 and the employer pays $700 and the employee pays $300, you would only consider the $300.

Q: Is there a minimum of employees a group must have to do this?
A: No, the Marketplace application and eligibility process works the same regardless of the size of the employer.

Q: Will consumers be able to drop the employer’s plan midyear if they now qualify for APTC?
A: Only if the employer decides to allow mid plan year changes.

Q: When will these changes be deployed to HealthCare.gov?
A: These changes will be available as of November 1, 2022 (beginning of open enrollment) for coverage effective January 1, 2023. These changes will be available on both HealthCare.gov and all approved enhanced direct enrollment partners.

Q: Will the family glitch be “fixed” for state-based exchanges too?
A: Yes. State-based exchanges are planning to address the family glitch fix into their applications as of November 1.

Q: Will being offered group health insurance that is not affordable be considered a qualifying life event?
A: Consumers who are enrolled in an employer-based plan may qualify for an SEP if they are determined newly eligible for APTC because their employer-based plan no longer offers affordable coverage, and they drop their employer coverage. This applies to consumers whose coverage is no longer affordable due to the change in IRS rules. Consumers can access this SEP by attesting “Yes” to the application question that asks about losing qualifying health coverage and providing the date they can end their employer coverage or the date they lost it in the past.

Q: Can we expect amened model exchange notices?
A: The final rule says they will not be revising the model notice, but this may be reconsidered.