

FAILURE TO RECONCILE



Advance Premium Tax Credit (APTC) helps reduce health insurance premium costs for Residents. To maintain eligibility for APTC, Residents must file a federal tax return and reconcile their premium tax credits using [IRS Form 8962](#). Reconciliation involves comparing the amount of premium tax credit used with the amount actually qualified for based on final annual income. Any differences must be paid or will be received as a credit when filing the federal income tax return for the coverage year.

This fact sheet gives Agents and kynectors details on eligibility factors that may cause the loss of APTC, the related notice, steps to resolve Failure to Reconcile, and how to reapply for APTC benefits. It also provides guidance on obtaining APTC for Plan Year 2025.

REASONS RESIDENTS MAY LOSE APTC THIS YEAR

Below outlines factors that could cause Residents to lose their APTC eligibility.



Authorization

- ▲ Cause: The Resident did not authorize kynect to request updated tax information to use to redetermine eligibility.
- 🔧 Resolution: Agents and kynectors can update the Resident's authorization on their kynect application.



Failure to Reconcile

- ▲ Cause: The Resident did not file taxes and reconcile APTC received in previous years.
- 🔧 Resolution: Review the How Do I Resolve Failure to Reconcile section.



Final Check and APTC Discontinuance

- 🔧 Final Check: kynect will discontinue APTC for households that have not filed and reconciled.
- 🔑 New Eligibility: Special Enrollment Period (SEP) to change plans.
- 📄 Impact: Residents must pay full insurance premium to stay enrolled in a Qualified Health Plan.



Please note: Residents may not be aware of applicable APTC discontinuance reasons. Married filing separately makes them ineligible for APTC.

LOSS OF APTC WARNING NOTICE

The Loss of APTC Warning (HBE-073) notice is sent by kynect in February and October to all Residents who were APTC-eligible and enrolled in the previous coverage year. If Residents receive this notice, Agents and kynectors should inform them that it acts as a reminder to take specific actions on their taxes to reconcile APTC. Residents must file a tax return to report APTC payments, even if they do not usually file taxes.

Residents are required to reconcile their taxes only if they were enrolled in coverage for the previous coverage year. If Residents did not have coverage during the previous year, no action is necessary regarding tax reconciliation.

PO Box 2104
Frankfort, KY 40602

kynect
health coverage

Phone: (855) 459-6328
Fax: (502) 573-2007

HBE-073
08/24

Date: 10/17/2024
Case Number: 112872567
COMMONWEALTH OF
KENTUCKY
Cabinet for Health and
Family Services

REMINDER: You may need to take certain actions on your taxes each year to remain eligible for Financial Assistance with your Qualified Health Plan for 2025.

Why we are sending you this letter

You have received payment assistance through the Advance Premium Tax Credit to reduce your health insurance premium costs. This payment assistance is also being paid for your 2024 coverage for the following members:

- [Redacted]

You are required to file a federal tax return along with Form 8962, *Premium Tax Credit (PTC)*, to reconcile these advance payments of the premium tax credit. If you do not file and reconcile, you and anyone in your tax household who wants to enroll in health coverage through kynect will not be eligible for payment assistance for 2025 coverage, including advance payments of the premium tax credit and any cost-sharing reductions.

NOTE: If you have filed your 2023 tax return with Form 8962, you do not need to take action and can disregard this notice.

What you need to do if you have not filed your taxes

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STEPS TO RESOLVE FAILURE TO RECONCILE

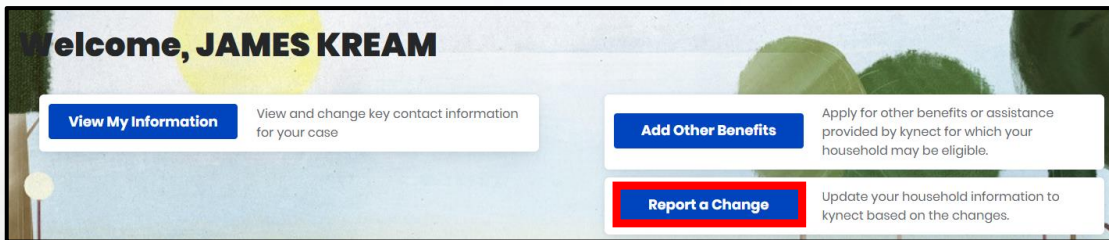
If **No** was selected for the question, *Did [Individual Name] reconcile premium tax credits on his tax return for the last two consecutive tax years?*, then Agents and kynectors may need to Report a Change to attest to the reconciliation on the **Tax Filing** screen.



To reconcile APTC, Residents must file taxes from previous years. Reconciliation of premium tax credits via IRS Form 8962 is needed for continued eligibility.

Follow the steps below to update the reconciliation attestation in kynect.

1. Navigate to the Resident Dashboard and select **Report a Change**.



2. Select **Modify other information such as income, expenses, resources, or health** and select **Continue**.
3. On the **Report a Change** screen, select **Relationship & Tax Filing Status**.
4. Select the applicable **household member(s)** and select **Continue**.
5. On the **Tax Filing** screen, update the **Tax Filing Status**, if applicable.
6. Select **Yes** for the question *Did [Individual Name] reconcile premium tax credits on his tax return for the last two consecutive tax years?* Select **Next**.

Did JAMES KREAM reconcile premium tax credits on his tax return for the last two consecutive tax years? Select 'Yes' below if: ⓘ

- You received payment assistance to help for coverage.
- You filed federal income tax returns for the last two consecutive years, and you used payment assistance. For example, in the year 2023 and 2022 you got help paying coverage and you also filed tax returns for both years.
- You submitted IRS Form 8962 with these tax returns.

Yes **No**

7. On the **Report Additional Changes** pop-up screen, select **No Additional Changes**.
8. On the **Application Review** screen, review the updated case details and select **Next**.
9. On the **Signature Page** screen, complete the required fields.
10. Select **Submit Benefits Application** to update the reconciliation attestation.

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SCENARIO AND RESOLUTION: REAPPLYING FOR APTC

Review the scenario and resolution below for guidance on how to reapply for APTC.

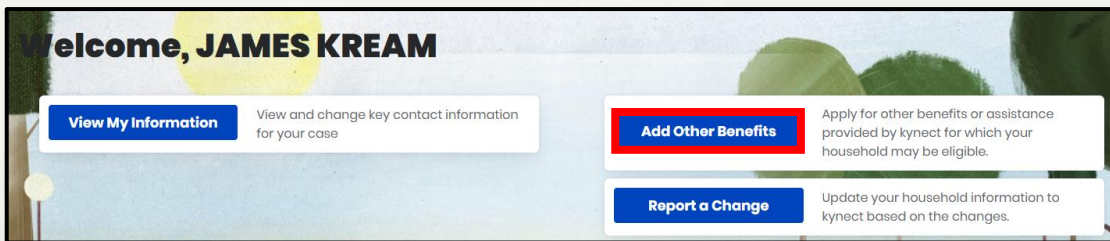
SCENARIO

Haley received payment assistance to help her pay for coverage in 2023. After receiving the Loss of APTC Warning notice, Haley failed to file a federal tax return and reconcile her premium tax credits using IRS Form 8962. Kynect discontinued APTC on Haley’s case as a result of not filing and reconciling for the previous year.

RESOLUTION

To reapply for payment assistance (APTC) to help pay for coverage, Haley must complete the following:

1. She must file a federal tax return to report APTC payments, even if she does not usually file taxes.
2. After filing a federal tax return, Haley must submit IRS Form 8962.
3. Within Kynect, Haley should select **Add Other Benefits** from the Resident Dashboard, reapply for **Medicaid/KCHIP/Qualified Health Plan with payment assistance (APTC)** and self-attest to reconciling premium tax credits.



APTC DISCONTINUED AND NEEDED FOR PLAN YEAR 2025?

January 2025: For payment assistance beginning on January 1, 2025 (retroactive coverage), Residents must **call the Professional Services Line (PSL) at 1-855-326-4650** and request a Special Request and Inquiry (SR&I) ticket.

February 2025: For payment assistance beginning on February 1, 2025, **Residents must reconcile by January 15, 2025.**

For more information, reference the [Failure to Reconcile Frequently Asked Questions](#).

