Kentucky’s transition to a State-Based Marketplace (SBM) is pending official authorization from the Centers for Medicare & Medicaid Services (CMS). Final approval is anticipated to occur later this summer. Future updates will be shared as appropriate.

October 15, 2021
## Document Control Information

### Document Information

<table>
<thead>
<tr>
<th>Document Name</th>
<th>SBM Policy and Procedures for Agents and kynectors Training Guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>kynect State-Based Marketplace (SBM)</td>
</tr>
<tr>
<td>Client</td>
<td>Kentucky Cabinet for Health and Family Services</td>
</tr>
<tr>
<td>Document Author</td>
<td>Deloitte Consulting</td>
</tr>
<tr>
<td>Document Version</td>
<td>4.0</td>
</tr>
<tr>
<td>Document Status</td>
<td>Revised Submission</td>
</tr>
<tr>
<td>Date Released</td>
<td>October 15, 2021</td>
</tr>
</tbody>
</table>

### Document Edit History

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Additions/Modifications</th>
<th>Prepared/Revised by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>August 27, 2021</td>
<td>Final Submission</td>
<td>Deloitte Consulting</td>
</tr>
<tr>
<td>2.0</td>
<td>September 17, 2021</td>
<td>Revised Submission</td>
<td>Deloitte Consulting</td>
</tr>
<tr>
<td>3.0</td>
<td>September 24, 2021</td>
<td>Revised Submission</td>
<td>Deloitte Consulting</td>
</tr>
<tr>
<td>4.0</td>
<td>October 15, 2021</td>
<td>Revised Submission</td>
<td>Deloitte Consulting</td>
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Introduction

This course highlights some of the policies and procedures established by KHBE for the implementation and operation of Kentucky’s State-Based Marketplace (SBM) utilizing the kynect health coverage system. Agents and kynectors need to familiarize themselves with the policy and procedures to better assist Residents in applying for kynect health coverage.

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1 SBM Policy & Procedures Training Guide

Kynect health coverage is Kentucky’s State-Based Health Insurance Marketplace (SBM). Kynect health coverage is a one-stop-shop enabling Kentucky Residents to enroll in a range of health coverage options, including Medicaid (MA), Qualified Health Plans (QHPs), Advance Premium Tax Credit (APTC), Cost-Sharing Reductions (CSRs), Kentucky Children’s Health Insurance Program (KCHIP), and Kentucky Integrated Health Insurance Premium Payment (KI-HIPP) Program. Additionally, small employers are able to determine their eligibility to enroll in Small Business Health Options Program (SHOP) plans. Agents and kynectors assist Residents, families, and small employers in navigating the SBM and the range of coverage options it provides.

1.1 Kynect Relaunch

In October 2020, Governor Andy Beshear announced the state would relaunch kynect. The relaunch made kynect an “umbrella” brand that encompasses kynect resources, kynect benefits, and kynect health coverage.

1.2 Kynect Health Coverage

The kynect system offers Residents and small employers an integrated eligibility and enrollment process into Qualified Health Plans (QHPs) and other health insurance affordability programs. Agents and kynectors assist Residents with the eligibility and enrollment process by using kynect’s portals.
1.3 One Application Process

With a single application, Individuals and families can determine eligibility for Medicaid (MA), Qualified Health Plans (QHPs), Advance Premium Tax Credit (APTC), Cost-Sharing Reductions (CSRs), Kentucky Children’s Health Insurance Program (KCHIP), Kentucky Integrated Health Insurance Premium Payment (KI-HIPP) Program, Supplemental Nutrition Assistance Program (SNAP), Kentucky Transitional Assistance Program (KTAP), and Child Care Assistance Program (CCAP). Employers will also be able to apply for the Small Business Health Options Program (SHOP) and browse plans.

1.4 What are Residents eligible for?

kynect is an online portal that is used to determine eligibility for:
- Medicaid (MA)
- Qualified Health Plans (QHPs)
- Advance Premium Tax Credit (APTC)
- Cost-Sharing Reductions (CSRs)
- Kentucky Children’s Health Insurance Program (KCHIP)
- KY Integrated Health Insurance Premium Payment (KI-HIPP) Program
- Small Business Health Options Program (SHOP)

1.5 Health Coverage Portals

Agents and kynectors should be familiar with the following health coverage portals:
- Issuer Portal
- Agent Portal
- Self-Service Portal
- Worker Portal

Issuer Portal

The Issuer Portal is a self-service, one-stop shop that provides the Issuer Organizations (also known as health insurance companies or carriers) with the ability to directly access consumer kynect health coverage data, manage QHP data, and access informational resources.

Agent Portal

The Agent Portal provides Health Insurance Agents with a customer management tool to help manage and create new business in Kentucky. The Agent Portal provides the ability to quickly manage existing accounts. Agents can create new Residents’ accounts, browse plans, generate useful reports, and view all incoming kynect health coverage notifications/announcements, and create proposals.
1.6 Who is Eligible for Coverage through the State-Based Marketplace?

Individuals applying for health coverage must:

1. Be Residents of Kentucky.
2. Be U.S. citizens, U.S. nationals, or lawfully present immigrants for the entire time they plan to have coverage.*
3. Not be incarcerated (unless pending disposition of charges).

*Please note: Requirements for Medicaid are slightly different than requirements for other health care affordability programs.

1.7 When to Enroll

Eligible Residents can enroll in or change kynect health coverage plans during the annual Open Enrollment Period (OEP) or during a Special Enrollment Period (SEP). For Residents and families, the OEP typically starts around November 1st. The specific OEP dates for each year will be determined by the Secretary of the Cabinet for Health and Family Services (CHFS). The Open Enrollment section of this training will go into detail on applying for benefits during Open Enrollment (OE).
2 Qualified Health Plans (QHPs)

A QHP is a health coverage plan certified by the Kentucky Health Benefit Exchange that meets Affordable Care Act (ACA) requirements for essential health benefits. All QHPs that are offered through kyndex health coverage are certified. QHPs are categorized by metal level to help Residents compare plans. The five standard QHP metal levels are: **Bronze**, **Expanded Bronze**, **Silver**, **Gold**, and **Platinum**.

2.1 QHP Eligibility Requirements

Below are the eligibility requirements for the Qualified Health Plans:

1. Be U.S. citizens, U.S. nationals, or lawfully present non-citizens and be reasonably expected to be so for the entire time they plan to have health coverage.

2. Not be incarcerated (unless pending the disposition of charges).

3. Live and plan to stay in Kentucky.
   - Residents may apply for QHPs at any time during the year, but the Residents can only enroll in a QHP during Open Enrollment and Special Enrollment Periods.
   - Residents receiving Medicare are not eligible to purchase a QHP or receive Advance Premium Tax Credit.

2.2 QHP Metal Levels

Health plan QHP metal levels are based on each plan’s Actuarial Value (AV) – that is, the percentage of total average costs for covered benefits that a plan will cover. QHP metal levels do not reflect the quality or amount of care the plans provide. The percentage an enrollee pays for benefits under plans in each metal level is an “average” for a typical population. These percentages do not necessarily reflect the exact amount an enrollee will pay for a particular service when using a specific plan.

- **Bronze**
  - 60%
  - On average, insurance pays 60% while the enrollee pays 40%.

- **Expanded Bronze**
  - 65%
  - On average, insurance pays 65% while the enrollee pays 35%.

- **Silver**
  - 70%
  - On average, insurance pays 70% while the enrollee pays 30%.

- **Gold**
  - 80%
  - On average, insurance pays 80% while the enrollee pays 20%.

- **Platinum**
  - 90%
  - On average, insurance pays 90% while the enrollee pays 10%.
2.3 Vision Coverage

kynect offers access to vision coverage to Kentuckians through a partnership with insurance companies that offer vision benefits. Individuals can enroll directly through an insurance company. Qualified Health Plans offered through kynect include some vision benefits for children under the age of 21. Vision plan enrollments are not directly through kynect health coverage, and Individuals can enroll in vision plans at any time throughout the year.

2.4 Catastrophic Health Plan Coverage

A catastrophic plan generally provides coverage for three (3) primary care visits, preventive services with no cost sharing, and no other benefits for the plan year until the enrollee has incurred cost-sharing expenses in an amount equal to the annual limit. These policies usually have lower premiums, but the enrollee must pay for all out-of-pocket health coverage costs until they reach the plan’s annual deductible.

If the Enrollee buys a catastrophic plan, the Enrollee is not eligible to receive Payment Assistance, such as Advance Premium Tax Credit and Cost-Sharing Reductions. The Enrollee pays the premium quoted by the insurance company. Only Enrollees under the age of 30 or Enrollees over the age of 30 who have a hardship exemption may enroll in catastrophic coverage.

2.5 Qualified Health Plan Scenarios

The scenarios below describe various household situations that may arise when assisting with applications. Pay close attention to the details of the scenarios.
2.6 Affordability of Employer Sponsored Insurance (ESI) Scenarios

Affordability of Employer Sponsored Insurance (ESI) is based on the cost of **employee only coverage**. The coverage must meet a minimum value of *60%* that is covered under the plan (total cost of benefits expected to be incurred under the plan). Employer-Sponsored Insurance is considered to be affordable if the contribution required to cover the employee only (not a spouse or dependents) is less than *9.61 percent* of the employee’s household income. The scenario below describes household situations that may arise when assisting Kentuckians with applications. Pay close attention to the details of the scenario.

**Resident Information**

Rick is 52 years old and works as an independent engineering consultant. He works at a large engineering firm that does not offer Employer-Sponsored Insurance (ESI). He wants to enroll his entire family in a QHP. Rick expects to earn **$86,000**.

Lori is 49 years old and does not work outside the home.

Judith is 23 years old and lives at home with her parents. **Judith’s parents claim her as a tax dependent.**

Carl is 19 years old and is a full-time student at an out-of-state college. **Carl’s parents claim him as a tax dependent.**

ESI, tax filing status, and income do not impact eligibility for QHPs. However, tax filing status impacts QHP enrollment.

**How should the Grimes household apply for a kynect health coverage plan that will cover all members of the family?**

**Next Steps for the Grimes Family**

- Yes, the Grimes household can file one kynect health coverage application.
- Both Judith and Carl should be listed as tax dependents since they will be claimed on their parents’ federal income tax return.
- Because Carl attends college out-of-state, his college address may be provided, but he will only be able to enroll through kynect if he lists his parents’ address as his permanent address and he is their tax dependent.
- The Grimes should enter all income for the parents and children on the kynect health coverage application. kynect health coverage will determine whether income from the tax dependent children counts.
Modified Adjusted Gross Income (MAGI) Methodology

MAGI is a simplified method for determining income eligibility for Medicaid, Kentucky Children’s Health Insurance Program, and payment assistance programs available through kynect health coverage. MAGI is used when determining eligibility for:

- Premium tax credits
- Most people in Medicaid

Davey would like to extend his ESI coverage to his spouse and children. Will this be an affordable option for Davey and his family?

ESI Scenario Decision

- No, Davey will not add his family to his ESI, and his family will apply for health coverage through kynect.
- Family size impacts the affordability of ESI. The affordability test is based on Davey’s coverage alone, not taking into account the coverage of his family.
- Davey has a family of 6. Adding his 5 family members on his ESI will significantly increase his premium. Although his premium is only $3,600/year for his own ESI, his premium could be $13,000+ for his full family per year with dependent coverage.
- Although his $13,000/year ESI coverage is technically considered “affordable”, Davey cannot actually afford this dependent coverage.

3 Modified Adjusted Gross Income (MAGI) Methodology

MAGI is a simplified method for determining income eligibility for Medicaid, Kentucky Children’s Health Insurance Program, and payment assistance programs available through kynect health coverage. MAGI is used when determining eligibility for:

- Premium tax credits
- Most people in Medicaid
MAGI methodology is used for MAGI Medicaid (MA) and Advance Premium Tax Credit (APTC). This section will highlight the impacts to Medicaid.

3.1 Tax Filer and Non-Tax Filer

Agents and kynectors assist Residents with different tax filing statuses. Tax filing status is used in determining eligibility. Therefore, it is essential that the Resident gives accurate information regarding their status. Once designated as either Filer or Non-Filer, a household size can be constructed for each eligible Individual. An Individual DOES NOT have to be applying for assistance to be included in a household.

<table>
<thead>
<tr>
<th>Tax Filer</th>
<th>Non-Tax Filer</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Resident who intends to file an income tax return for the current benefit year and cannot be claimed as a dependent by another Resident.</td>
<td>A Resident who does not intend to file taxes for the current benefit year.</td>
</tr>
</tbody>
</table>
3.2 Tax Filing Scenarios

The scenarios below describe household situations that may arise when assisting Kentuckians with applications. Pay close attention to the details of each scenario before moving forward to the scenario’s questions.

**Resident Information**

Jimmy is a 22-year-old full-time student. He is not working and does not intend to file taxes. He does not live with his parents; however, he is being claimed as a dependent on his parents’ taxes who are filing jointly.

For MAGI Medicaid, each Individual is designated as either Filer or Non-Filer based on their tax filing status. Make sure to evaluate each member of the household to determine tax filing status.

**Who is a tax filer in this household?**
- Jimmy’s parents are both tax filers since they intend to file taxes.

**Who is a tax dependent in this household?**
- Jimmy is a tax dependent even though he does not live with his parents. However, they will be claiming him on their taxes.

**Who is a non-filer in this household?**
- Since Jimmy is being claimed as a dependent by his parents who are filing their taxes, there are no non-filers in the household.
3.3. Advance Premium Tax Credit (APTC)

The Advance Premium Tax Credit or APTC is a tax credit Residents can use to **help lower the monthly cost of health insurance**. This tax credit is only available when an Individual gets their plan through kynect health coverage and is based on income and household size. APTC is also called **Payment Assistance**. As mentioned in the previous section, eligibility for APTC is determined by using the MAGI methodology.

### 3.3 APTC Eligibility

Individuals and families may be eligible for APTC depending on their income and family size in relation to the Federal Poverty Line (FPL). Individuals may apply for APTC at any time but will only be determined eligible during the Open Enrollment (OE) and Special Enrollment Period (SEP). **The American Rescue Plan (ARP) passed in March of 2021, resulting in the expanded eligibility criteria mentioned in this section. The ARP eliminates the repayment provisions for taxpayers receiving excess premium tax credits. ARP also widened the household income eligibility for APTC.** To be eligible for APTC an Individual must:

- Have a gross household income that falls between **100%** and above the Federal Poverty Level,
- Not be eligible for Minimal Essential Coverage (MEC),
- Not be incarcerated,
- Be a Resident of Kentucky, and
- Be a U.S. citizen or lawfully present in the United States.
  - Exception: If a Resident is a lawfully present immigrant and is determined ineligible for Medicaid due to immigration status, they may be eligible for kynect health coverage with payment assistance, even though their household income may be below 100% of the FPL.

3.4 APTC Income Limits

For Residents of Kentucky, the following illustrates when household income would be at least 100 percent of the FPL in computing Residents’ APTC:

**Please note:** The Federal Poverty Line criteria below is subject to change based on current FPL limits and updates included in the American Rescue Plan.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Household Income that’s above 100% of the FPL.</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Resident</td>
<td>$12,490 and above the FPL</td>
</tr>
<tr>
<td>Family of Two</td>
<td>$16,910 and above the FPL</td>
</tr>
<tr>
<td>Family of Four</td>
<td>$25,750 and above the FPL</td>
</tr>
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</table>

3.5 How Does the Resident Qualify for APTC?

When a Resident applies for kynect health coverage, the system estimates the amount of APTC that the Resident may be able to claim for the tax year, using information the Resident provides about their family size and projected household income, and the Resident’s/family members’ eligibility for other Financial Assistance.

Based upon that estimate, the Resident can decide if they want to have all, some, or none of their estimated APTC paid in advance directly to their insurance company to lower their monthly premiums.

3.6 Requirements to Reconcile

At the end of the year, the taxpayer’s APTC will be reconciled with what the taxpayer should have received (using actual household income and family size for the tax year).

| If Residents use more APTC than they qualify for based on final yearly income, they may be required to repay the difference when they file their federal income tax return. |
| If Residents use less APTC than they qualify for, they will get the difference as a refundable credit when they file their taxes. |
3.7 Advance Premium Tax Credit Scenario

The scenario below describes a household situation that may arise when assisting with applications. Pay close attention to the details of the scenario before moving forward to the scenario questions.

### Resident Information

Maria and her husband Jeff have no dependents and were making $4,310 a month, which is 306 percent of the FPL. They are enrolled in a kynect health coverage plan with APTC.

Jeff loses his job as a bartender at a restaurant due to the COVID-19 pandemic and their household income drops to $3,592 a month.

### Should Jeff and Maria report the change to kynect health coverage and potentially receive more APTC?

#### Next Steps for the Manning Family

- Jeff and Maria should report the change in income to kynect health coverage. Because of the reduction in income, they may be eligible for more APTC, but they do not need to apply any increased APTC to their current coverage.
- If they increase their APTC and soon after the increase in APTC, Jeff finds a job with pay at or above the level of his prior job, they risk having to pay back some portion of their APTC when they file their taxes.
- If so, they could choose to take the increased APTC, or, since Jeff thinks he will soon find a job paying at least as much as his bartending job, they may decide to maintain their APTC at the present level.

3.8 Cost-Sharing Reductions (CSRs)

Depending on the Individual’s circumstances, they may be eligible for Cost-Sharing Reductions (CSR), commonly called special discounts, which are extra savings that reduce out-of-pocket costs. CSRs lower the amount that Individuals pay for expenses like copays, deductibles, and will decrease out-of-pocket maximums. The savings are only applicable to Silver Level Plans. A Silver Level Plan is a category of a Qualified Health Plan.

- **Individuals and families with incomes up to 250 percent of the Federal Poverty Level may be eligible to receive CSRs.**
- There are also non-income-based CSRs available to members of federally recognized tribes (for all QHP metal level plans: Bronze, Expanded Bronze, Silver, Gold, and Platinum).

- American Indians or Alaska Natives who are members of a federally recognized tribe receive Cost-Sharing Reductions using different income guidelines and can receive CSRs in any QHP metal level plan: Bronze, Expanded Bronze, Silver, Gold, and Platinum.

### 3.8.1 Cost-Sharing Reductions Scenario

The scenario below describes a household situation that may arise when assisting Kentuckians with applications. Pay close attention to the details of the scenario before moving forward to the scenario questions.

**Resident Information**

Grace is a single 30-year-old with no dependents who works at a local coffee shop. Her employer **does not** offer health insurance and she has asked you to help her apply for health coverage through kynect.

Grace currently makes **$20,000** a year, which is between **150 percent and 200 percent** of the FPL.

**Based on her income only, which programs will Grace likely be eligible for when she submits her application through kynect health coverage?**

- a. Advanced Premium Tax Credit
- b. Cost-Sharing Reductions
- c. KCHIP
- d. Medicaid

**Next Steps for Grace**

- The correct answers are **A** and **B**. Grace is likely above the income levels for Medicaid but within the income range for Financial Assistance through kynect health coverage.
- It’s likely that Grace will be eligible for APTC and Cost-Sharing Reductions if she enrolls in a Silver plan through kynect health coverage for Individuals and families.

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**kynect health coverage Silver Plans**

To the left are examples of Silver Plans in kynect health coverage.
Please note: American Indians or Alaska Natives who are members of a federally recognized tribe are eligible for Cost-Sharing Reductions using different income guidelines and their Cost-Sharing Reductions are available in all QHP metal levels: Bronze, Expanded Bronze, Silver, Gold, and Platinum.

4 Medicaid (MA)

Medicaid is a program funded jointly by states and the federal government that provides health coverage for some low-income individuals, families, and children, pregnant women, the elderly, and people with disabilities. Medicaid is administered by states, according to federal requirements.

<table>
<thead>
<tr>
<th>MAGI Medicaid</th>
<th>Non-MAGI Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modified Adjusted Gross Income (MAGI) Medicaid is extended to adults and children who meet certain technical and financial eligibility factors for Medicaid.</td>
<td>Medicaid eligibility is determined using traditional methodology. This includes Individuals receiving Medicaid who are aged, blind, or disabled.</td>
</tr>
</tbody>
</table>

4.1 MAGI Medicaid Eligibility

Income eligibility for Medicaid is determined using the MAGI methodology that uses taxable income minus specific deductions, such as, but not limited to, student loan interest, educator expenses, and alimony. MAGI methodology is used to determine eligibility for:

- Children
- Pregnant women
- Parent/caretaker relatives
- Low-income adults between the ages 19-64

4.2 Income Considerations for MAGI Medicaid

The following steps highlight information on how income is determined for Residents who are applying for MAGI Medicaid.

**MAGI INCOME 1**

Verifying Income

- Income is considered verified for MAGI Medicaid when the Resident-stated income amount is reasonably compatible with the amount received from state and federal data sources. Reasonable compatibility is defined as no more than 10 percent difference between the self-attested amount and the information returned by the state and federal data sources.

**MAGI INCOME 2**

Income Calculation

- Adjusted Gross Income (AGI) is all the income an Individual earns, minus certain adjustments.
To calculate MAGI, take an Individual’s AGI and “add-back” certain deductions. Many of these deductions are rare, so it’s possible an Individual’s AGI and MAGI can be identical. Different credit and deductions can have differing add-backs for your MAGI calculation. According to the IRS, an Individual’s MAGI is their AGI with the addition of the appropriate deductions, potentially including: student loan interest, one-half of self-employment tax, qualified tuition expenses, tuition and fees deduction, passive loss or passive income, IRA contributions, non-taxable social security payments, the exclusion for income for U.S. savings bonds, foreign earned income exclusion, foreign housing exclusion or deduction, the exclusion under 137 for adoption expenses, rental losses, and any overall loss from a publicly traded partnership.

### MAGI INCOME 1

**Verifying Income**

- The table lists the types of countable and non-countable income used to determine eligibility for MAGI MA. The income of dependents should only be counted if the dependent is required to file taxes.

<table>
<thead>
<tr>
<th>Countable Income</th>
<th>Non-Countable Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Wages, salaries, tips, bonuses, awards</td>
<td>- SSI benefits</td>
</tr>
<tr>
<td>- Income derived from gifts/inheritances</td>
<td>- Social security benefits of dependents</td>
</tr>
<tr>
<td>- Interest income (taxable and non-taxable)</td>
<td>- TANF (KTAP) benefits</td>
</tr>
<tr>
<td>- Farm income</td>
<td>- Veteran’s disability benefits</td>
</tr>
<tr>
<td>- Ordinary dividends</td>
<td>- Veteran’s pension benefits</td>
</tr>
<tr>
<td>- Alimony/Spousal support</td>
<td>- Veteran’s education benefits</td>
</tr>
<tr>
<td>- Business income</td>
<td>- Military allowances</td>
</tr>
<tr>
<td>- Capital gains</td>
<td>- Employer reimbursement for mileage, meals, etc.</td>
</tr>
<tr>
<td>- IRA distributions</td>
<td>- Earned income tax credits</td>
</tr>
<tr>
<td>- Pensions and annuities</td>
<td>- Worker’s compensation</td>
</tr>
<tr>
<td>- Unemployment compensation</td>
<td>- Employer contributions to certain pretax benefits funded by an employee’s elective salary reduction, such as amounts for a flexible spending account or contributions to a retirement account</td>
</tr>
<tr>
<td>- Social Security benefits (taxable and non-taxable)</td>
<td>- Fringe benefits provided on a pretax basis by an employer</td>
</tr>
<tr>
<td>- Railroad retirement</td>
<td>- Child support received</td>
</tr>
<tr>
<td>- Gambling winnings</td>
<td>- Foster care and adoption assistance payments</td>
</tr>
<tr>
<td>- Jury duty payments</td>
<td>- Education scholarships, awards, fellowship grants</td>
</tr>
<tr>
<td>- Foreign earned income</td>
<td>- Loans</td>
</tr>
<tr>
<td>- Rental income</td>
<td>- Federal Work Study income</td>
</tr>
<tr>
<td>- Lump sum income (Retro Social Security/Railroad Retirement)</td>
<td>- Wages of minors</td>
</tr>
<tr>
<td>- Royalties</td>
<td></td>
</tr>
<tr>
<td>- State agency payments received for child care</td>
<td></td>
</tr>
</tbody>
</table>
• Waiver payments issued to individual care providers received for a non-household member (related or unrelated)
• Oil leases/mineral rights
• Partnerships/S-Corporations
• Any remaining portion of lump sum payment awarded for wrongful death, personal injury, damages, or loss of property not excluded for tax purposes
• Trust income

• Gifts and inheritances
• Waiver payments issued to individual care providers received for a household member (related or unrelated)
• Black lung benefits
• Cash rebates from a dealer or manufacturer
• Refugee cash assistance
• Native American benefits and payments
• Income from a sponsor for a sponsored immigrant

4.3 Presumptive Eligibility (PE)

Presumptive Eligibility (PE) is a program in Kentucky which expedites an Individual’s ability to receive temporary coverage for Medicaid services. PE helps Individuals quickly receive temporary Medicaid services.

FOR kynectors
• Empowers kynectors to perform temporary Medicaid determinations at the point of care
• Encourages PE recipients to complete full Medicaid applications
• Guarantees the reimbursement of eligible services rendered by the Medicaid provider to the PE recipient

FOR KENTUCKIANS
• Eligibility is determined based on a simplified application. This reduces the time for emergency eligibility determinations.
• Allows prospective Medicaid beneficiaries to receive immediate, time-limited access to medical services
• Provides a gateway to full Medicaid coverage

4.4 Verification Requirement

Verification for residency, pregnancy, immigration status, and household composition is required for most applications. Self-attestation or a client statement are acceptable for everything but immigration status unless conflicting documentation is received.
### 4.5 Immigrant Status

An Individual’s immigration status is verified by electronic data matches, when possible. If the data cannot be confirmed by electronic verification, the Individual must submit appropriate verification documents.

There are “qualified” and “non-qualified” immigrants. Individuals who are “qualified immigrants’ are generally eligible for Medicaid in Kentucky and Kentucky Children’s Health Insurance Program (KCHIP) coverage if they meet the income eligibility and residency requirements. The table below highlights who the term “qualified immigrant” includes in the first column on the left, and which immigrants are kynect health coverage eligible status only on the right.

<table>
<thead>
<tr>
<th>The term “qualified immigrant” includes:</th>
<th>Immigrants who are kynect health coverage eligible status only includes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawful Permanent Residents (LPR/Green Card Holder)</td>
<td>Individuals with valid non-immigrant status, including worker visas (such as H1, H-2A, H-2B), student visas, other visas, and citizens of Micronesia, the Marshall Islands, and Palau</td>
</tr>
<tr>
<td>*Asylees</td>
<td>Immigrants whose visa petitions have been approved and who have a pending application for adjustment of status</td>
</tr>
<tr>
<td>*Refugees</td>
<td>Individuals granted employment authorization</td>
</tr>
<tr>
<td>*Cuban/Haitian entrants</td>
<td>Temporary Protected Status (TPS)</td>
</tr>
<tr>
<td>Paroled into the U.S. for at least one year</td>
<td>Paroled into the U.S.</td>
</tr>
<tr>
<td>Conditional entrant granted before 1980</td>
<td>Deferred Action Status (Exception: Deferred Action for Childhood Arrivals (DACA) are not considered lawfully present)</td>
</tr>
<tr>
<td>Battered Spouse, Child, or Parent who has a pending or approved petition with DHS</td>
<td>Deferred Enforced Departure (DED)</td>
</tr>
<tr>
<td>*Victims of trafficking and their spouse, child, sibling, or parent or Residents with a pending application for a victim of trafficking visa</td>
<td>A child who has a pending application for Special Immigrant Juvenile status</td>
</tr>
<tr>
<td>*Granted withholding of deportation/removal</td>
<td>Granted relief under the Convention Against Torture (CAT)</td>
</tr>
</tbody>
</table>
4.6 Important Information about Immigrant

The image below displays seven helpful facts that Agents and kynectors should know about immigrants obtaining kynect health coverage.

4.7 Spend Downs for Medically Needy Residents

In Kentucky, there is a Spend Down Program that is specifically intended for those that are categorically aged, blind, or disabled who have income over the Medicaid limit. Spend Down eligibility will allow an individual to become Medicaid eligible by 'spending down' their excess income on medical bills. The Spend Down duration can be anywhere from one (1) month to three
(3) months. Once an Individual has met their “spend down” for the quarter (paid their excess income down to the Medicaid income limit), the Individual will receive Medicaid benefits for the remainder for the spend-down period.

**MAGI Spend Down** provides time-limited Medicaid to Residents in all MAGI categories, except Low Income Adults. Though adults in this category meet all technical requirements, they have income in excess of the established appropriate Federal Poverty Level.

- An example: A Resident who is technically eligible for Medicaid and categorized as a Parent/Caretaker Relative; however, the Resident is over the income limit for MAGI Medicaid. This Resident would be an ideal candidate to be eligible for a **Spend Down**.

Eligibility for MAGI Medicaid is determined **before** Spend Down. Eligibility for Spend Down is based on the following criteria:

- The Spend Down eligibility may be for one, two, or all three months prior to the month of application during which the Individual incurred a medical expense.
- Individuals must have unpaid medical expenses to be eligible.
- MAGI Spend Down eligibility may only be established retroactively.

### 4.8 Household Composition

Household Composition is determined based on **Filer or Non-Filer rules**. Each Individual is designated a Filer or a Non-Filer based on tax filing status. Once designated either a Filer or Non-Filer, a household size can be constructed for each eligible Individual. An Individual **DOES NOT** have to be applying for assistance to be included in a household.

#### 4.8.1 Household Composition Scenario

Household composition is important to be aware of when assisting Individuals and their families with benefits. The scenario below describes a typical household that Agents and kynectors may see when assisting Kentuckians with applying for health care coverage. Pay close attention to the details of the scenario before moving forward to the scenario’s questions.
There are two ID verification requirements that Agent and kynectors should be aware of when assisting Residents:

5  Identity Verification Overview

There are two ID verification requirements that Agent and kynectors should be aware of when assisting Residents:
1. Identity verification through the Kentucky Online Gateway (KOG)
2. Identity verification for applications through kynect health coverage

Identity proofing is a federal requirement and a necessary step included in health coverage enrollment. Determining eligibility involves extremely sensitive information, and KHBE Agents and kynectors must verify the identity of those they are assisting.

5.1 Identity Proofing through Kentucky Online Gateway (KOG)
The Kentucky Online Gateway was created to enable Residents and business partners to easily access multiple state system applications while using a single account. The process below highlights the three steps to verify a Resident's identity through KOG.

5.2 KOG Manual ID Proofing Process
Agents and kynectors can assist with the following Manual ID Proofing process:

1. The Resident can obtain a copy of a photo ID or another acceptable form of ID.
2. The Resident can provide their contact and KOG account information to the kynector.
3. The kynector can fill out the Manual ID Proofing “Cover Sheet” and send it to DMS.IDProofing@ky.gov with the appropriate documentation attached.

Please note: Use the email address associated with the KOG account when going through the Manual ID Proofing Process.
5.3 Identity Attestation through kynect

During the application process Residents apply for benefits through kynect. kynect allows Residents to apply for Medicaid (MA), Qualified Health Plans (QHPs), Advance Premium Tax Credit (APTC), Cost-Sharing Reductions (CSRs), Kentucky Children’s Health Insurance Program (KCHIP), Kentucky Integrated Health Insurance Premium Payment (KI-HIPP) Program, and Small Business Health Options Program (SHOP).

The process below highlights the steps for Identity Attestation through kynect.

1. The Resident provides a copy of an acceptable form of ID verification as outlined in kynect benefits (e.g. Driver’s License).
2. The kynector or Resident uploads the documentation into kynect benefits via the Document Upload functionality for verification. After the Manual Identity Attestation is complete, Residents may receive Requests for Information (RFI) asking for additional verifications/documentation.

For more information, including examples of appropriate documentation for verification on the Manual Identity Attestation process, please view the quick reference guide below.

6 Enrollment Periods

6.1 Open Enrollment

Agents and kynectors assist Individuals with applying for health coverage during Open Enrollment. Individuals eligible for Medicaid can apply and enroll at any time throughout the year. For Individuals interested in Qualified Health Plans, OE is the specific timeframe when they can enroll in health coverage for the next calendar year. Open Enrollment is scheduled for November 1 - January 15.

Please note: Individuals who are Native American (referred to in federal documents as American Indian) or Alaska Native may enroll in health coverage at any time during the year. They are also permitted to change plans once per month.
6.2 Special Enrollment Period (SEP) Overview

When an Individual experiences a qualifying event, such as losing a job, moving to another state, or getting married, they may be eligible for a Special Enrollment Period (SEP). During a Special Enrollment Period, they can enroll in or change both medical and dental plans offered by kynect health coverage. SEPs are generally **60 days following a qualifying event.**

6.3 Types of Special Enrollment Periods

There are six types of special enrollment periods listed and explained below.

**Loss of Qualifying Health Coverage**

Individuals may qualify for an SEP if they (or anyone in their household who is seeking coverage) lose qualifying health coverage, also known as Minimum Essential Coverage. Some examples of qualifying health coverage include:

- Coverage through a job, or through another person's job
- Medicaid or Kentucky Children's Health Insurance Program coverage
- Some student health plans (check with the school to see if the plan counts as qualifying health coverage)
- Individual or group health plan coverage that ends during the year
- Dependent coverage through a parent's plan
- Expiration of Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage
- Loss of employer contribution to COBRA coverage
- Loss of government contribution (via subsidies) to COBRA coverage

**Change in Household Size**

An Individual may qualify for an SEP if they (or anyone in their household):

- Got married
- Had a baby, adopted a child, or received a foster child for placement
- Gained or became a dependent due to a child support or other court order
- Got Divorced, legally separated, or had a death in the family that resulted in the loss of health coverage
Enrollment or Plan Error

An individual may qualify for a SEP if they (or anyone in their household) were not enrolled in a plan or were enrolled in the wrong plan because of:

• Misinformation, misrepresentation, misconduct, or inaction of someone working in an official capacity to help the consumer enroll
• A technical error or another kynect related enrollment delay
• Wrong plan data (like benefit or cost-sharing information) was displayed in the plan compare feature of kynect.ky.gov at the time of plan selection
• Can demonstrate that their kynect plan has violated a key part (material provision) of its contract

Please note: Moving only for medical treatment or staying somewhere for vacation does not qualify individuals for a SEP.

Change in Primary Place of Living

An Individual may qualify for an SEP if they (or anyone in the household) gained access to new kynect health coverage plans because of a change in their place of living. The SEP is only valid if they had qualifying coverage, unless they:

• Lived in a foreign country or in a U.S. territory for at least one of the 60 days preceding the date of the move, or
• Lived for one or more days preceding the qualifying event or most recent enrollment period in a service area where no qualified health plan was available through kynect health coverage

Examples of qualifying changes in primary place of living:

• Moving to a new home in a new zip code or county where new QHPs are available
• Moving to the U.S. from a foreign country or United States territory
• A student moving to or from the place they attended school
• A seasonal worker moving to or from the place they live and work
• Moving to or from a shelter or other transitional housing

Please note: Moving only for medical treatment or staying somewhere for vacation does not qualify individuals for a SEP.
**Newly Eligible or Ineligible for Payment Assistance**

An Individual may qualify for a SEP if they (or anyone in his or her household):

- Reports a change on their kynect health coverage that makes the Individual:
  - Newly eligible for help paying for coverage
  - Newly ineligible for help paying for coverage
  - Experience a change in Cost-Sharing Reduction category
- Newly eligible for kynect health coverage after release from incarceration

**More Qualifying Changes**

An Individual may qualify for an SEP if they (or anyone in their household):

- Applies for Medicaid/Kentucky Children’s Health Insurance Program during an Open Enrollment Period, or due to a qualifying event, and the state agency later determined, outside of the OEP or more than 60 days after the SEP qualifying event, that the Individual was not eligible
- Is a victim of domestic abuse or spousal abandonment and wants to enroll in a health plan separate from their abuser or abandoner; dependents on the same application may enroll in coverage at the same time as the victim
- Is an AmeriCorps service member starting or ending AmeriCorps service
- Submitted documents and cleared their Request for Information after kynect took action and their coverage was ended
- Can prove an exceptional circumstance kept them from enrolling in coverage during an enrollment period, such as being incapacitated or a victim of a natural disaster or experiencing domestic abuse/violence or spousal abandonment
- Did not receive timely notice and was reasonably unaware of a triggering event (They must select a new plan within 60 days of the date they knew or should have reasonably known of the triggering event)
- Other SEP reasons may be added to comply with new Federal guidance
6.4 Verification Process for Special Enrollment Periods

KHBE conducts pre-enrollment verification of newly enrolling Individuals’ SEP eligibility. SEP verification does not impact the Individual’s Exchange-generated effective date, which is typically determined by the SEP qualifying event and the date the Individual selects a QHP. However, as with other retroactive effective dates, if an Individual only pays a premium for one month of coverage, only prospective coverage should be effectuated, in accordance with regular effective dates. Individuals subject to SEP verification have their enrollment “pended” until kynect health coverage completes verification of SEP eligibility either through automated electronic means or based on documentation that the Individual submits. If kynect health coverage cannot automatically verify an Individual’s SEP eligibility, then the Individual must submit documentation within 30 calendar days of plan selection to verify eligibility. Once an Individual’s SEP eligibility has been verified, kynect health coverage then releases its enrollment information to the relevant Issuer. SEP verification currently applies to the following SEP types: loss of qualifying coverage, marriage, a permanent move, or gaining/becoming a dependent through foster care placement, adoption, or other court order.

6.5 Exceptional Special Enrollment Period

For more information on Special Enrollment, coverage effective dates, and required documentation, please view the document below titled Special Enrollment.

[Special Enrollment.pdf]

KHBE grants most Special Enrollment Periods through application questions or internal logic on the application. However, there are certain Exceptional Special Enrollments (ESE) that eligible Residents must request in writing to KHBE. These include:

- Error by kynect health coverage or misrepresentation in enrollment process
- Experience a plan or contract violation
- Material error related to plan benefits, service area, or premium
- Victim of domestic abuse or spousal abandonment

Residents seeking an ESE must submit a request in writing or call a Contact Center for information on how to request an ESE. Contact Center representatives are not able to determine whether a Resident is eligible for an ESE and are to forward cases to KHBE staff. A special ESE
committee reviews these requests and submits recommendations to the KHBE Director who ultimately makes the final decision. If the ESE is granted and a new enrollment is processed, the record is sent to the Issuer with the coverage effective date. The Resident seeking ESE will be notified in writing of the decision.

7 Health Reimbursement Arrangements (HRAs)

Agents and kynectors may need to assist Individuals with navigating health coverage options such as Health Reimbursement Arrangements (HRAs). An HRA is a group health plan funded solely by employer contributions that reimburses an employee’s medical expenses up to a maximum dollar amount for a coverage period.

- HRA reimbursements are excluded from the employee’s income and wages for federal income tax and employment tax purposes.
- An employer may allow funds that remain in the HRA at the end of the year to carry over into future years.
- In addition to the employee, an HRA may also reimburse expenses incurred by the employee’s spouse, dependents, and children who, as of the end of the taxable year, have not attained age 27 (dependents).

7.1 Individual Coverage Health Reimbursement Arrangement (ICHRA)

Individual Coverage Reimbursement Arrangement (ICHRA) is a type of Health Reimbursement Arrangement that reimburses medical expenses, like monthly premiums, and requires eligible employees and dependents to have individual health insurance coverage or Medicare Parts A (Hospital Insurance) and B (Medical Insurance) or Part C (Medicare Advantage) for each month they are covered by the ICHRA.

7.2 Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)

Small employers who don’t offer group health coverage to their employees can help employees pay for medical expenses through a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA).

- An eligible employee can use a QSEHRA to reimburse medical care expenses for themselves, as well as any covered dependents (if permitted by the employer).
- To use a QSEHRA or receive reimbursements from a QSEHRA, an employee and any covered dependents must be enrolled in Minimum Essential Coverage (MEC).
### 7.3 ICHRA VS QSEHRAS

<table>
<thead>
<tr>
<th>An Individual Coverage HRA (ICHRA)</th>
<th>Qualified Small Employer HRA (QSEHRA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Individuals must be enrolled in a health plan through kynect health coverage to use the Advance Premium Tax Credit to help pay for a health coverage premium.</td>
<td>• Individuals can use a combination of the APTC and HRA amount, if the QSEHRA is considered unaffordable.</td>
</tr>
<tr>
<td>• Individuals cannot use both APTC and the HRA. If individuals accept their HRA and use APTC, they may owe money when they file their taxes next year.</td>
<td>• Individuals should lower the amount of APTC they will apply to their monthly premiums by their monthly QSEHRA amount. When kynect health coverage asks how much of the APTC is wanted in advance, subtract the monthly QSEHRA amount from the monthly APTC for which the Individual would otherwise be eligible.</td>
</tr>
<tr>
<td>• Once the Individual has been confirmed eligible for APTC AND enrolled in kynect health coverage, they tell their employer they are declining (or “opting out” of) the HRA.</td>
<td></td>
</tr>
<tr>
<td>• If the ICHRA is not affordable based on standards set forth by the IRS, an APTC is allowed if the employee offered the coverage “opts out” of the HRA and the other APTC requirements are met.</td>
<td></td>
</tr>
</tbody>
</table>

### 7.4 Enrolling through an ICHRA/QSEHRA Special Enrollment Period

Generally, qualified Individuals need to apply for and enroll in individual health coverage in time for it to take effect by the date that their ICHRA or QSEHRA starts.

Individuals with questions about their ICHRA and QSEHRA start date should check their employer notice or contact their employer.
7.5 How HRAs Affect Special Enrollment Periods

Individuals and their dependents who newly gain access to an Individual Coverage Health Reimbursement Arrangement or who are newly provided a Qualified Small Employer HRA may qualify for a SEP to enroll in individual health coverage through or outside of kynect health coverage.

The triggering event is the first day on which coverage for the qualified Individual, Enrollee, or dependent under the ICHRA can take effect, or the first day on which coverage under the QSEHRA takes effect.

7.6 HRA Impacts to APTC Eligibility

- An Advance Premium Tax Credit is not allowed for an Individual’s health coverage if they are offered an Individual Coverage Health Reimbursement Arrangement that is affordable. This applies to employees as well as spouses and dependents of employees to whom the offer extends.
- If the ICHRA is not affordable based on standards set forth by the IRS, an APTC is allowed if the employee offered the coverage “opts out” of the Health Reimbursement Arrangement and the other APTC requirements are met.
- APTC is not allowed for an Individual’s health coverage if they choose to be covered by an ICHRA, regardless of whether the HRA is affordable.
8 Assessments

8.1 Complex Scenario

The scenario below describes a typical household that Agents and kynectors may see when assisting Kentuckians with applying for health coverage. Pay close attention to the details of the scenario before moving forward to the scenario questions.

**Resident Information**

Mary and Derek are U.S. citizens. Both are 29 years old, and they **identify as domestic partners.** Mary and Derek are Kentucky Residents and intend to live in Kentucky.

They are **NOT** married, and they **file their taxes separately.** Derek files as Head of Household (HOH) and Mary files as **Single**.

They have two children. Mia is 5 years old and Donovan is 2 years old. Derek claims both children as dependents on his tax returns.

Derek works as a manager at a restaurant and earns **$3,333** per month. Mary runs a child care service on her own (she has no employees) and earns **$1,583** per month.
How should Mary and Derek apply for health coverage? Are they eligible for Financial Assistance to make health coverage more affordable?

Next Steps for Mary and Derek

- Mary and Derek should apply jointly for kynect health coverage, but they will **not** be able to enroll on the same Qualified Health Plan with their 2 children due to their **tax filing status**. If they wish to be on the same QHP enrollment, Mary and Derek should consider filing taxes as a dependent of the other domestic partner the following year.
- Derek and Mary should list their family (Derek, Mary, Mia, and Donovan) on a SSP Application and select that they are applying for Medicaid/Financial Assistance and QHP on the **Household Member Details** screen within kynect health coverage.
- Both Mary and Derek are above the FPL limit for Medicaid but are eligible for APTC. Mary and Derek meet all other eligibility requirements for APTC and their income and household size (determined by tax filing status) will determine their eligibility.
- Derek has a household size of 3 (Derek, Mia, and Donovan) and an FPL of **182.13%**. Mary has a household size of 1 (just herself) and an FPL of **147.48%**. Derek and Mary will each be given an APTC amount that can be applied to their **separate enrollments**.
- For the children, the household size is different for KCHIP and APTC.
- The children are included in a MAGI household composition exception because they are living with their biological parents. For this exception, both parents are included in the children’s household size of 4 (Derek, Mary, Mia, and Donovan).
- The APTC household composition does not have this exception, and the household size would be 3 (Derek, Mia, and Donovan).
- The children’s FPL for MAGI is **222.61%**. For APTC it is **182.13%**. This makes the children over the limit for KCHIP, but they are eligible for APTC.

8.2 Assessment

1. Eligible Residents can enroll in or change State-Based Marketplace plans during the annual __________ or during a __________.
   a. Open Sign Up, Special Circumstance
   b. Open Season, Open House
   c. Open Enrollment Period (OEP), Special Enrollment Period (SEP)
   d. None of the above
2. Individuals applying for kynect health coverage must:
   a. Be Residents of Kentucky; be U.S. citizens, U.S. nationals, or lawfully present immigrants for the entire time they plan to have coverage; and not be incarcerated (unless pending disposition of charges).
   b. Have a driver’s license
   c. Have an active Facebook account.
   d. Not live in Indiana

3. A Qualified Health Plan (QHP) is a ______ offered through kynect. These plans are offered to Residents at full premium cost or with Premium Assistance for qualified Residents.
   a. Savings account
   b. Debit card
   c. Medicare plan
   d. Health coverage plan

4. Residents receiving ______ are not eligible to purchase a Qualified Health Plan (QHP) or receive Advance Premium Tax Credit (APTC).
   a. Medicare
   b. Amazon Prime packages
   c. Fast food coupons
   d. Discounts

5. A Tax Filer is:
   a. A Resident who does not file taxes
   b. A Resident who intends to file an income tax return for the current benefit year and cannot be claimed as a dependent by another Resident
   c. A Resident who works overtime throughout the year
   d. A Resident who gets paid by the hour

6. Does an Individual have to be applying for assistance to be included in a household?
   a. An individual DOES NOT have to be applying for assistance to be included in a household.
   b. Yes

7. The amount of Advance Premium Tax Credit (APTC) the Resident is qualified for is based on –
   a. Job status
   b. The annual income compared to the FPL – the lower the income, the higher the subsidy
   c. How far away the Resident lives
d. Education

8. Residents are eligible for Special Enrollment Periods (SEPs) when they experience a qualifying event, such as:
   a. Medicare
   b. High blood pressure
   c. Losing a job, moving to another state, or getting married, they are eligible to enroll or change their existing health insurance enrollment
   d. Birthdays

9. Residents may be required to submit additional documents when enrolling in plans during a ________.
   a. Tornado
   b. Pandemic
   c. Special Enrollment Period (SEP)
   d. Busy season

10. Health Reimbursement Arrangements (HRA) are a:
    a. Gym membership
    b. Hospital
    c. A group health plan funded solely by employer contributions that reimburses an employee’s medical care expenses
    d. Savings account