The Commonwealth of Kentucky
kynect State-Based Marketplace

kynect health coverage
Together for a better Kentucky

State-Based Marketplace Policy and Procedures Refresher Training Guide

July 18, 2025

Document Control Information

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Introduction

This Refresher Course highlights some of the policies and procedures established for the operation of the State-Based Marketplace. Agents and kynectors need to familiarize themselves with the policies and procedure to better serve Residents applying for health coverage through kynect.

Table of Contents

1. Welcome to the Policy and Procedures Refresher Course

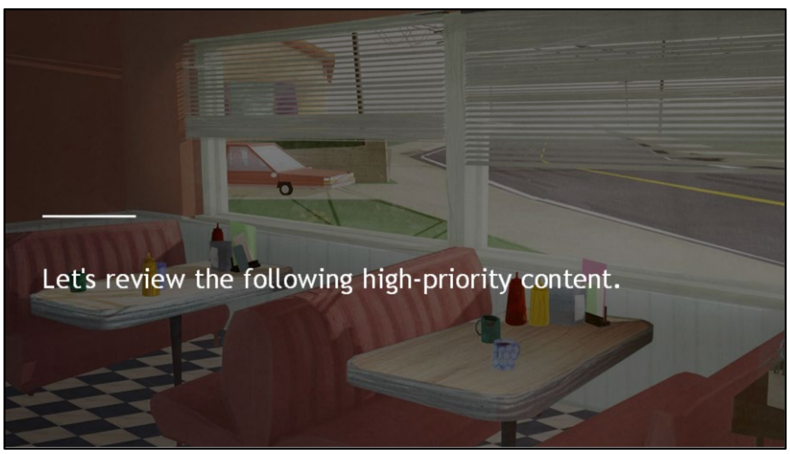
1.1 Course Introduction

This course outlines the policies and procedures for the operation of the State-Based Marketplace. Understanding these policies and procedures enables Agents and kynectors to more effectively assist Residents applying for health coverage through kynect.

2. High Priority Content

2.1 High Priority Content

In this lesson, we will review key information and highlights regarding policies and procedures.



2.2 New Policies for Awareness

Please see below to learn more about updated information on new policies.

1. **CMS Integrity and Affordability Final Rule**

   The Centers for Medicare and Medicaid Services (CMS) Integrity and Affordability Final Rule includes provisions which impact kynect. This includes updates such as changes to the reconciliation timeline, income verification, and more.

   For more information, please review the CMS website here: CMS Integrity and Affordability Final Rule

2. **H.R.1 One Big Beautiful Bill Act**

   The One Big Beautiful Bill Act contains provisions which impact kynect.

   For more information, please review the bill text here: One Big Beautiful Bill Act

3. **Expiration of Enhanced Premium Tax Credits**

   Enhanced Premium Tax Credits were first approved through the American Rescue Plan Act (ARPA) and subsequently extended by the Inflation Reduction Act.

   ARPA introduced two major changes: it eliminated the benefit cliff, allowing higher-income households to qualify for premium assistance if their premiums exceeded a certain percentage of their income (8.5%), and it increased credits for Individuals earning up to 400% of the Federal Poverty Level (FPL), including premium-free benchmark plans for Individuals with household incomes up to 150% of the FPL.

   While Premium Tax Credits will not be removed entirely, without Congressional action, these enhanced tax credits will expire at the end of 2025.

   For more information, please see the KHBE website here: Changes Coming in 2026

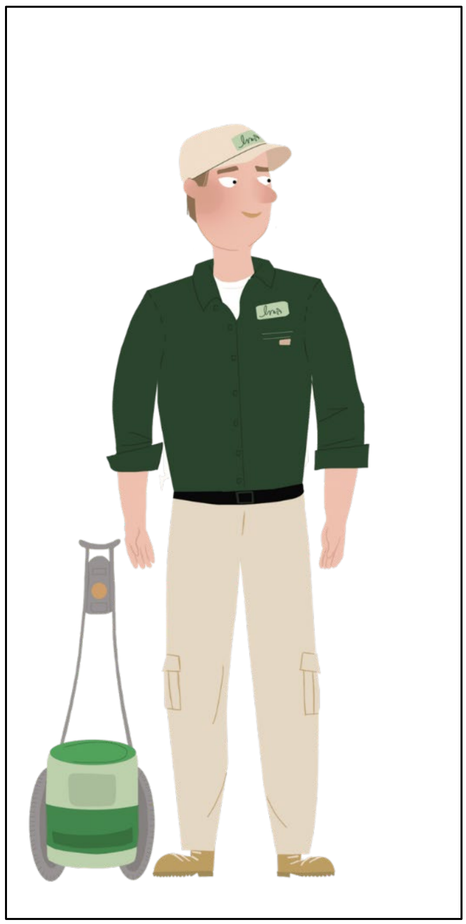
2.3 Enrollment Status

Review the reminders and tips below for taking action to enroll:

Remember to promote action to enroll! kynect is available to help families stay healthy! Kentucky Residents may qualify for Medicaid or a Qualified Health Plan (QHP). To find out if Residents are eligible, apply and submit all necessary documents. The Open Enrollment Period typically runs from November 1 to January 15. For coverage to start January 1, Residents need to enroll by December 15.

Visit kynect.ky.gov to enroll online or locate local Agents or kynectors for assistance.

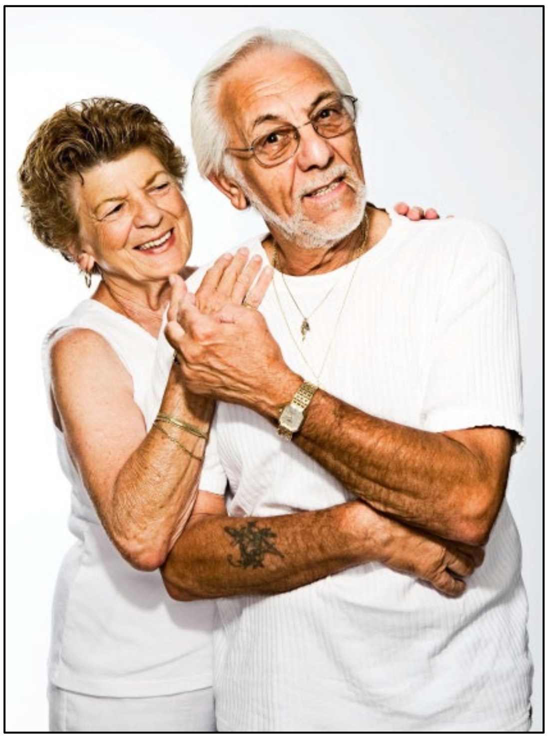
Call 855-4kynect (459-6328) to apply by phone from Monday to Friday, 8 AM to 7 PM EST. Saturday hours may be available during Open Enrollment.



2.4 Transition to Medicare

Understanding the policies and procedures for transitioning to Medicare is essential. Review the following sections to learn more:

- **Transitioning from a QHP:** If Residents are approaching their 65th birthday and are enrolled through kynect, it is recommended to sign up for Medicare Parts A and B three months before their 65th birthday to prevent any delay in coverage and avoid potential penalties.
- **Transitioning from Medicaid:** In Kentucky, if Residents are turning 65 and are eligible for Medicare, they should enroll in Medicare Parts A and B during your Initial Enrollment Period. This period begins three months before their 65th birthday month and ends three months after.



Please note: Take action three months before turning 65 for Residents transitioning to Medicare.

2.5 Medicaid Health Coverage vs. Health Insurance

In Kentucky, Medicaid is a joint state and federal program providing healthcare to low-income Residents. Health insurance is typically purchased through the State-Based Marketplace or through employers, with options for financial assistance and coverage for certain income levels.

- **Medicaid Health Coverage:** Kentucky Medicaid/KCHIP is a state and federal program that provides health coverage to eligible, low-income Residents, including children, families, pregnant women, the aged, and the disabled.
- **Health Insurance:** Kentuckians can purchase health insurance through kynect or through their employer.

Please note: Agents can use the same application in kynect for Advance Premium Tax Credits (APTC) and QHP benefits.

2.6 Special Enrollment

Special Enrollment allows Residents to enroll in health coverage outside the Open Enrollment Period if they experience a qualifying life event. Depending on the event, Residents may have 60 days before or after the event to enroll. Medicaid and KCHIP enrollment is available year-round. This section will cover some highlights for Special Enrollment Periods (SEP) and Exceptional Special Enrollments (ESE).

- **Special Enrollment Period (SEP):** A Special Enrollment Period (SEP) allows Residents to enroll in or change health coverage outside of Open Enrollment, typically due to qualifying life events like job loss, change in employment, or loss of Medicaid. Some Special Enrollments will require verification. Coverage will not be active, and you will not be able to make a payment until verification is received. Examples of qualifying life events are: getting married, having a baby or adopting a child, medically confirmed pregnancy, moving to the state (may require that you had previous coverage), turning 26 and losing coverage through your parents' plan, losing your Employer-Sponsored Insurance (this can be due to a job loss, change in employment status, or your employer no longer offering coverage), losing coverage through Consolidated Omnibus Budget Reconciliation Act (COBRA); including when an employer stops contributing toward the COBRA premium, losing other private health insurance, getting divorced and losing coverage because of the divorce, losing Medicaid or KCHIP, experiencing household income changes such as: now qualifying for payment assistance or special discounts on cost-sharing, no longer qualifying for payment assistance or special discounts on cost-sharing, and experiencing exceptional circumstances other than traditional qualifying life events.
- **Exceptional Special Enrollment (ESE):** Exceptional Special Enrollment (ESE) is available for Residents who face extraordinary circumstances preventing them from enrolling during standard enrollment periods. Residents can request an ESE by emailing kynectESE@ky.gov or by mailing the request to:
  Kentucky Health Benefit Exchange
  Attention: ESE
  275 East Main Street, 4WE
  Frankfort, KY 40621

Please note: Individuals with a medically confirmed pregnancy can enroll in a QHP outside of Open Enrollment through a Special Enrollment Period. Coverage will begin on the first day of the month the pregnancy started, or on a later date if chosen by the enrollee.

2.7 Immigration

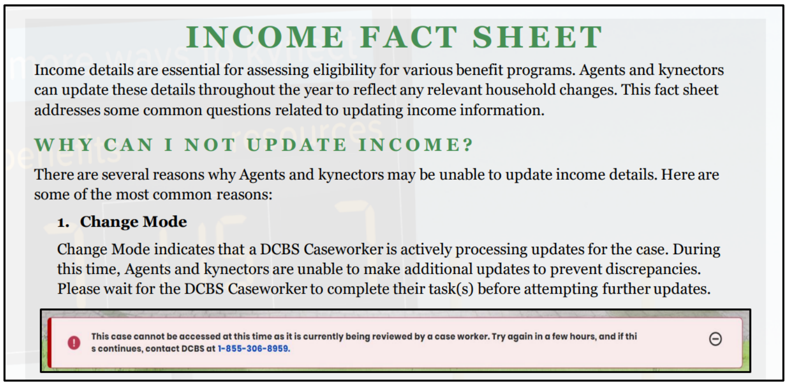
Immigrants in Kentucky might qualify for several health insurance programs. Here are some important requirements to note:

- **5-Year Bar:** In Kentucky, many Lawful Permanent Residents (Green Card Holders) and other qualified immigrants who entered the U.S. on or after August 22, 1996, must wait five years after obtaining their "qualified" status to be eligible for Medicaid or CHIP. This is commonly known as the "5-year bar."
- **Pregnancy and Children:** Lawful Permanent Residents' (Green Card Holders) Children under 19 and Women Who are Pregnant are:
  - Eligible for Medicaid, No 5-year bar.
  - Eligible for Qualified Health Plan (QHP), Advance Premium Tax Credit (APTC)
- **QHP:** In Kentucky, lawfully present immigrants can enroll in Qualified Health Plans (QHPs) through kynect and may qualify for premium tax credits to help cover premium costs.

2.8 Income Verification

kynect verifies information on a Resident's benefits application using federal and state data sources. If the income reported differs by 25% or more from these records, a Request for Information (RFI) is issued, requiring additional documentation. This may result in a change to the reported income, potentially affecting APTC eligibility.

A detailed factsheet with instructions containing specific information on income verification can be accessed here.


INCOME FACT SHEET

Income details are essential for assessing eligibility for various benefit programs. Agents and kynectors can update these details throughout the year to reflect any relevant household changes. This fact sheet addresses some common questions related to updating income information.

WHY CAN I NOT UPDATE INCOME?

There are several reasons why Agents and kynectors may be unable to update income details. Here are some of the most common reasons:

1. **Change Mode**

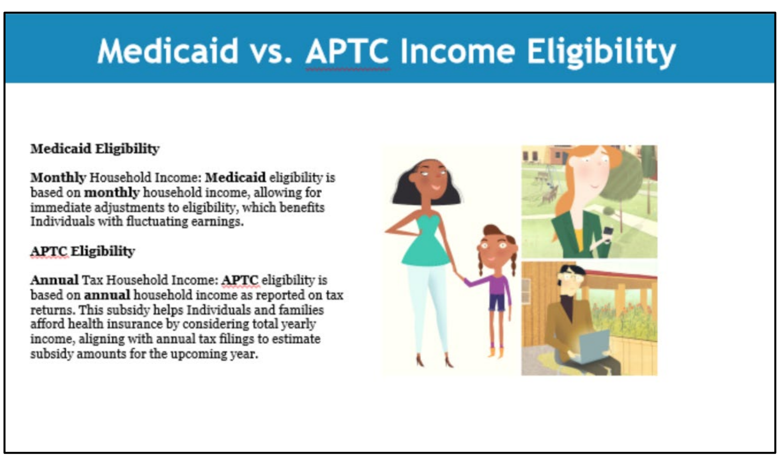
Change Mode indicates that a DCBS Caseworker is actively processing updates for the case. During this time, Agents and kynectors are unable to make additional updates to prevent discrepancies. Please wait for the DCBS Caseworker to complete their task(s) before attempting further updates.

This case cannot be accessed at this time as it is currently being reviewed by a case worker. Try again in a few hours, and if thi s continues, contact DCBS at 1-855-306-8959.

2.9 Advance Premium Tax Credit (APTC) vs. Medicaid

Take note of the differences between APTC & Medicaid income verifications:

- **APTC:** APTC assesses income on an annual basis. Preferred verification for APTC includes:
  - A written statement outlining projected annual income.
  - Tax return if income from the previous year remains representative.
- **Medicaid:** Medicaid assesses income on a monthly basis. Preferred verification for Medicaid includes:
  - Original documentation showing the last three (3) months of earned income.
  - Award letter for unearned income.
  - Tax return if it accurately represents current monthly income.

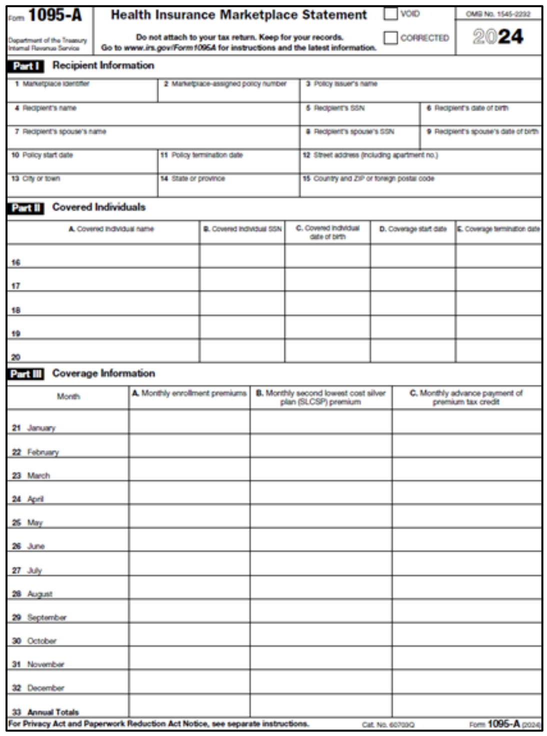


2.10 Form 1095-A

Form 1095-A is a federal tax document issued by kynect detailing the amount of APTC used throughout the year for health insurance premiums.

- **For QHPs Without APTC:** kynect sends one form, per policy, for everyone enrolled, even if enrollees are in different tax households.
- **For QHPs With APTC:** kynect sends one form, per policy, per tax household.

For more information regarding Form 1095-A, please download the fact sheet linked here.


Form 1095-A
Department of the Treasury Internal Revenue Service

Health Insurance Marketplace Statement

Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095A for instructions and the latest information.

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OMB No. 1545-2232

2024

Part I Recipient Information

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name	
4 Recipient's name		5 Recipient's SSN	6 Recipient's date of birth
7 Recipient's spouse's name		8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth
10 Policy start date	11 Policy termination date	12 Street address (including apartment no.)	
13 City or town	14 State or province	15 Country and ZIP or foreign postal code	

Part II Covered Individuals

	A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16					
17					
18					
19					
20					

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February			
23 March			
24 April			
25 May			
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			
32 December			
33 **Annual Totals**			

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60703Q Form **1095-A** (2024)

3. State-Based Marketplace Policy and Procedures Refresher Training

kynect is Kentucky's State-Based Marketplace (SBM). kynect is a one-stop-shop enabling Kentuckians 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.

To reacquaint yourself with State-Based Marketplace Policy and Procedures, please reference the Policy and Procedures Certification Training Guide here.