

MARKETPLACE ASSISTER TOOLKIT

Standard Operating Procedures Manual for Assisters in the Individual Federally-facilitated Marketplaces

SOP 11-EXEMPTIONS



Version 8.0 January 2021. This information is intended only for the use of entities and individuals that are certified to serve as Navigators or certified application counselors in a Federally-facilitated Marketplace. The terms “Federally-facilitated Marketplace” and “FFM,” as used in this document, include FFMs where the state performs plan management functions. Some information contained in this manual may also be of interest to individuals helping consumers in State-based Marketplaces and State-based Marketplaces using the Federal Platform. This document is intended only as a summary of legal requirements and to provide operational information and does not itself create any legal rights or obligations. All legal requirements are fully stated in the applicable statutes and regulations. The contents of this document do not have the force and effect of law and are not meant to bind the public in any way, unless specifically incorporated into a contract. This document is intended only to provide clarity to the public regarding existing requirements under the law. This material was printed, published, or produced and disseminated at U.S. taxpayer expense.



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SOP 11—Exemptions

A. Introduction

Catastrophic health insurance plans have low monthly premiums and very high deductibles. They may be an affordable way for consumers to protect themselves from worst-case scenarios, like getting seriously sick or injured. But consumers with Catastrophic coverage pay most routine medical expenses themselves. Consumers age 30 and older must apply for a hardship or affordability exemption through the Marketplace and obtain an Exemption Certificate Number (ECN) if they wish to purchase Catastrophic coverage. Exhibit 1 describes the hardship and affordability exemptions.

Exhibit 1 – Marketplace Exemptions for Catastrophic Coverage

| Exemption | Description |
|-----------|---|
| Hardship | <p>This exemption applies to consumers facing life situations that keep them from obtaining health insurance, including:</p> <ul style="list-style-type: none"> • Homelessness; • Eviction or foreclosure; • Receiving a utility shut-off notice; • Fire, flood, or other disaster; • Bankruptcy; • Being a victim of domestic violence; • Death of a family member; • Having medical expenses they couldn't pay; • Experiencing unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member; • Claiming a child as a tax dependent who's been denied coverage for Medicaid and CHIP and another person is required by court order to give medical support to the child; • Not having health coverage while waiting for a Marketplace appeal decision about coverage eligibility or savings; or • Not being eligible for Medicaid because their state did not expand Medicaid and the household income was below 138 percent of the federal poverty level (FPL). <p>For more information about hardship exemptions, visit the hardship exemptions page at HealthCare.gov.</p> |



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| Exemption | Description |
|---------------------------|--|
| Marketplace Affordability | <p>Consumers age 30 or over who wish to enroll in Catastrophic coverage apply for this exemption through the Marketplace based on their projected annual household income at the beginning of a plan year. They qualify for the exemption if the lowest-priced Bronze-level plan available through a Marketplace would cost more than 8.27 percent (2021) of the consumer's projected household income.</p> |
| Job-based Affordability | <p>Job-based health insurance is considered unaffordable in different ways depending on how the coverage is offered:</p> <ul style="list-style-type: none"> • For an employee: If the annual premium for the lowest-cost self-only plan (a plan that covers only the employee and not members of the employee's family) is more than 8.3 percent (2019), 8.24 percent (2020), or 8.27 percent (2021) of their annual household income. • For the employee's spouse and dependents: If the annual premium for the lowest-cost family plan is more than 8.3 percent (2019), 8.24 percent (2020), or 8.27 percent (2021) of their annual household income. <p>Notes:</p> <ol style="list-style-type: none"> 1. It's possible that an employee won't be eligible for this exemption because the self-only plan available to them is affordable. But other members of the household could be eligible for this exemption if family coverage offered to them is unaffordable. 2. If the lowest-price self-only plan an employer offers costs more than 9.86 percent (2019), 9.78 percent (2020), or 9.83 percent (2021) of an employee's total household income, the employee may be eligible for a premium tax credit if they buy a Marketplace insurance plan. |

Consumers under the age of 30 do not need to claim an exemption or obtain an ECN if they wish to purchase Catastrophic coverage; if the consumer is otherwise eligible, Catastrophic health plan options will display when the consumer shops for coverage through the Marketplace.

Standard Operating Procedure (SOP) 11 provides guidance on how to assist consumers with applying for hardship and affordability exemptions and purchasing Catastrophic coverage.

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B. Procedures

1. Applying for an Exemption to Purchase Catastrophic Coverage

To assist consumers with applying for an exemption and obtaining an ECN, complete the following steps.

Step 1. Direct consumers to [HealthCare.gov/exemption-form-instructions](https://www.healthcare.gov/exemption-form-instructions) and instruct them to download and fill out the appropriate Marketplace exemption application.

Step 2. Explain to consumers the different sections of the exemption application.

- a. In Step 1 of the application, consumers input their name, address, phone number, preferred language, and other personal information, as shown in Exhibit 2.

Exhibit 2 – Exemption Application: Step 1

STEP 1: Tell us about yourself

The person who files a federal income tax return in your household should be the contact person for this application, and is known as "Person 1". If you're applying for an exemption for a child, an adult who claims the child on his or her federal income tax return should fill out and sign this application, even if the adult doesn't need the exemption.

Use your legal name.

| | | | |
|---|-------------|--|---------------------------------|
| 1. First name | Middle name | Last name | Suffix |
| 2. Home address (Leave blank if you don't have one) | | 3. Apartment or suite number | |
| 4. City | 5. State | 6. ZIP code | 7. County, parish, or township |
| 8. Mailing address <input type="checkbox"/> (Select if same as home address) | | | 9. Apartment or suite number |
| 10. City | 11. State | 12. ZIP code | 13. County, parish, or township |
| Please provide a phone number so we can contact you if necessary. We won't use your number for anything else. | | | |
| 14. Phone number (###-###-####) | | 15. Other phone number (###-###-####) | |
| <input type="checkbox"/> Morning <input type="checkbox"/> Afternoon <input type="checkbox"/> Evening <input type="checkbox"/> Weekend | | <input type="checkbox"/> Morning <input type="checkbox"/> Afternoon <input type="checkbox"/> Evening <input type="checkbox"/> Weekend | |
| 16. Do you want to get correspondence from the Marketplace?..... <input type="radio"/> Yes <input type="radio"/> No | | | |
| Email address: _____ | | | |
| 17a. What is your preferred spoken language? | | 17b. What is your preferred written language? | |
| _____ | | _____ | |
| Optional: 18. If Hispanic/Latino, ethnicity: <input type="checkbox"/> Mexican <input type="checkbox"/> Mexican American <input type="checkbox"/> Puerto Rican <input type="checkbox"/> Chicano/a <input type="checkbox"/> Cuban <input type="checkbox"/> Other | | | |
| 19. Race: <input type="checkbox"/> White <input type="checkbox"/> Black or African American <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Filipino <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Asian Indian <input type="checkbox"/> Chinese <input type="checkbox"/> Vietnamese <input type="checkbox"/> Other Asian <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Guamanian or Chamorro <input type="checkbox"/> Samoan <input type="checkbox"/> Other Pacific Islander <input type="checkbox"/> Other | | | |

- b. In Step 2 of the application, consumers input the information required for the specific hardship or affordability exemption, such as information about members of the applicant's tax household (e.g., date of birth, Social Security Number (SSN), demographic information), as shown in Exhibit 3.

This information is intended only for the use of entities and individuals certified to serve as Navigators or certified application counselors in a Federally-facilitated Marketplace. The terms "Federally-facilitated Marketplace" and "FFM," as used in this document, include FFM where the state performs plan management functions. Some information in this manual may also be of interest to individuals helping consumers in State-based Marketplaces and State-based Marketplaces using the Federal Platform.



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Exhibit 3 – Exemption Application: Step 2

STEP 2: Tell us about your tax household and the hardship events you experienced

Who to include on this application:

- The adult who files the federal income tax return for this household – list this person, who will be known as "Person 1", on the first line of the table on the next page.
- A spouse who's filing taxes jointly with you.
- Anybody Person 1 claims as a dependent on the federal income tax return.

You should apply for this exemption based on how you file taxes, with the following exception: If you're 21 or older and included as a dependent on someone else's tax return, submit your own exemption application.

Who NOT to include on your application:

- A spouse who files taxes separately from you. Spouses who file separately must fill out a separate exemption application for themselves and include every person they claim on their tax return.
- Anyone who lives with you but isn't (or won't be) listed on your tax return for the year(s) you want this exemption.

For 2017 and 2018, if you don't plan to file taxes, you don't need to apply for an exemption.

STEP 2: Tell us about your tax household and the hardship events you experienced

The person in line 1 below, who will be known as "Person 1", must be the person who files a federal income tax return for the household, even if the person doesn't need an exemption.

For each person included on the federal income tax return, select their relationship to Person 1, the name, date of birth, SSN, sex, and whether they want an exemption.

You must give your Social Security number (SSN) if you have one. In the table below include the SSN for anyone requesting the exemption who has an SSN. An SSN is not necessary to qualify for the exemption. We use SSNs to match exemptions with the right tax returns and to correctly match to your coverage application. For help getting an SSN, visit socialsecurity.gov or call 1-800-772-1213. (TTY: 1-800-325-0778)

| # | Relationship to Person 1 (spouse or dependent) | First name | MI | Last name | Date of birth (mm/dd/yyyy) | Social Security number (###-##-####) | Sex | Want exemption? |
|---|--|------------|----|-----------|----------------------------|--------------------------------------|-----|-----------------|
| 1 | Self | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |

- c. In Step 3 of the application, consumers should review the information provided, confirm that the answers they provided are accurate, and sign their application, as shown in Exhibit 4.



Exhibit 4 – Exemption Application: Step 3

STEP 3: Read, print & sign this application

You won't be able to print and sign your application until you've filled out all required information. We can't process unsigned applications or accept digital signatures.

I agree that:

- I'm signing this application under penalty of perjury, which means I've provided true answers to all the questions on this form to the best of my knowledge. I know that I may be subject to penalties under federal law if I intentionally provide false or untrue information.
- I know that under federal law, discrimination isn't permitted on the basis of race, color, national origin, sex, age, sexual orientation, gender identity, or disability. I can file a complaint of discrimination by visiting [hhs.gov/ocr/office/file](https://www.hhs.gov/ocr/office/file).

The person on line 1, known as "Person 1", should sign this application.

The person who signs must be an adult over the age of 18 who files the federal income tax return for the household. If you're an Authorized Representative, you may sign here as long as Person 1 fills out and signs the "Help with this application" form on page 6 of this application.

| | |
|---|--------------------------|
| → Print out application and have Person 1 sign. | Date signed (mm/dd/yyyy) |
| | |

- d. In Step 4 of the application, consumers should review the instructions for mailing their completed application. Instructions for appealing an exemption decision and information about Catastrophic coverage are also included. Refer to Exhibit 5 below.



Exhibit 5 – Exemption Application: Step 4

STEP 4: Mail completed application and documents

Note: A page that lists the documents you need to submit will print at the end of this application.



Mail your **signed** application and **copies (do not send originals)** of the documents listed on the page that will print at the end of this application to:

Health Insurance Marketplace
Attn: Exemption Processing
465 Industrial Blvd.
London, KY 40741

**What happens next?**

We'll call you if we need more information. If we don't reach you by phone, we'll send a letter. You'll get a letter in the mail after we've processed your application.

- If your application is approved, we'll send an Exemption Certificate Number (ECN) for each approved member of your tax household to use on your federal income tax return for the year members of your tax household didn't have coverage. You'll provide the ECN when you file your return for the year your exemption has been approved.
- If you or other members of your tax household don't qualify for the exemption, the letter will explain why.
- If you don't hear from us within 30 days, contact the Marketplace at 1-800-318-2596. (TTY: 1-855-889-4325)

What if I think the results of my exemption application are wrong?

You can appeal. Important information about an appeal:

- The Health Insurance Marketplace must receive your appeal request within 90 days of the date of the application results notice.
- You may have a relative, friend, legal counsel, or another spokesperson, including an Authorized Representative, help you appeal or participate in your appeal. This is optional.
- The outcome of an appeal could change the eligibility of other members of your tax household.

To appeal your exemption application results, visit [HealthCare.gov/marketplace-appeals](https://www.healthcare.gov/marketplace-appeals). Or call the Marketplace Call Center at 1-800-318-2596. (TTY: 1-855-889-4325)

If you qualify for a hardship exemption, you can buy a "catastrophic" health plan

A "catastrophic" health plan offers lower-priced coverage that mainly protects you from high medical costs if you get seriously hurt or injured. If you get a hardship exemption, you can buy a catastrophic plan. You're not required to buy a catastrophic plan, it's just an option so you can get low-priced health coverage if you want to.

- If your hardship exemption application is approved, the letter you get will include information on catastrophic health plans. For more information, visit [Healthcare.gov/choose-a-plan/plans-categories/#catastrophic](https://www.healthcare.gov/choose-a-plan/plans-categories/#catastrophic) or call 1-800-318-2596. (TTY: 1-855-889-4325)

Step 3. Instruct consumers to mail their Marketplace exemption applications and any supporting documents to:

Health Insurance Marketplace®¹
Attn: Exemption Processing
465 Industrial Blvd.
London, KY 40741

Step 4. Explain to consumers the next steps in the exemption application process:

- a. The Marketplace will review the exemption application and determine consumers' eligibility for an exemption. The Marketplace may request more information or documents from consumers as part of this review. The consumer has 90 days from the date the notice is sent to provide additional information if requested by the Marketplace.

¹ Health Insurance Marketplace® is a registered service mark of the Department of Health & Human Services.

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- b. The Marketplace will mail consumers a notice of the exemption eligibility result. If consumers are granted an exemption, the Marketplace notice will include a unique ECN for each member of their tax household who was granted an exemption.

Step 5. Explain to consumers that they should read and understand the notice and keep the notice in a safe place because the ECN will be required on their Marketplace application to view [Catastrophic plan information](#). Catastrophic plans will not display in Plan Compare until these consumers enter a valid ECN. Consumers can also call the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325) for assistance with shopping for a plan if they're interested in purchasing coverage.

C. Assister Tips

1. To help consumers with selecting and enrolling in a Marketplace plan, proceed to SOP 8 – Compare, Save, & Select Health Plans.
2. If consumers do not receive an exemption and want help applying for health coverage, proceed to SOP 5 – Apply for Health Coverage.
3. For more help answering consumers' specific questions, refer to [Appendix A: Frequently Asked Questions \(FAQs\)](#) related to SOP 11 – Exemptions.



Appendix A: Frequently Asked Questions (FAQs)

The FAQs below are designed to help assisters answer consumers' specific questions about consumer exemptions through the Individual Marketplace.

FAQ 1. What is a Catastrophic health plan?

- Answer: Catastrophic health insurance plans have low monthly premiums and very high deductibles. They may be an affordable way to protect yourself from worst-case scenarios, like getting seriously sick or injured. But you pay most routine medical expenses yourself.

FAQ 2. Can I purchase and enroll in a Catastrophic plan?

- Answer: If you're under 30, you can enroll in a Catastrophic plan whether you have an exemption or not. If you're 30 or older, you can enroll in a Catastrophic health plan only if you qualify for a hardship or affordability exemption. You must submit a hardship or affordability exemption application and get an Exemption Certificate Number. You'll find out the Catastrophic plans available to you when you apply online at [HealthCare.gov](https://www.healthcare.gov) or with the help of a [Call Center](#) representative.

FAQ 3. What type of exemption do I need to purchase Catastrophic coverage?

- Answer: You must apply for a hardship or affordability exemption through the Marketplace and receive an Exemption Certificate Number.

FAQ 4. When will I know if the Marketplace approved my exemption application?

- Answer: The Marketplace response time depends on several things, including how complicated your request is, how complete your application is, and whether you need to submit documents after you apply. To speed up the process, submit any required documents with your exemption application. Check that you've answered all questions and provided all information before you put it in the mail. If you get a letter or a phone call asking for more information, provide it as soon as possible.

FAQ 5. Can I appeal an exemption decision?

- Answer: Yes, if you don't agree with an exemption decision, you can file an appeal.

FAQ 6. When does my exemption end?

- Answer: Consumers may reference their exemption notice for further information. Consumers should note that most exemptions will end at the end of the plan year; thus, consumers will need to re-apply for an exemption each year in most cases.



Appendix B: Support Resources

If consumers require assistance that is outside of assister activities, refer consumers to other organizations and resources as appropriate. Exhibit 6 provides a list of external resources.

Exhibit 6 – External Resources

| Resources | Contact Information | What does this resource do? | How should consumers use this resource? |
|--------------------------------|--|---|--|
| Marketplace Call Center | 1-800-318-2596 TTY: 1-855-889-4325 (all languages available) | The Marketplace Call Center provides assistance to consumers who need information or want to enroll in health coverage through a Federally-facilitated Marketplace (FFM). | <ul style="list-style-type: none"> To get answers to questions while applying for health coverage using the online or paper application. To apply for health coverage over the phone. |
| HealthCare.gov | HealthCare.gov | This website allows consumers to access information about the Patient Protection and Affordable Care Act (PPACA) and to enroll in health coverage through an FFM. | <ul style="list-style-type: none"> To find out about health coverage options available through an FFM. To apply for health coverage online. To get real-time answers to questions using the online chat function. |
| Internal Revenue Service (IRS) | IRS.gov | This federal agency collects taxes from individuals and businesses in the U.S. | <ul style="list-style-type: none"> To learn more about the effects of the PPACA on consumers' tax returns. |
| Medicaid | Medicaid.gov | This state-administered health insurance program is for low-income families and children, pregnant women, the elderly, people with disabilities, and in many states, other adults. The federal government provides a portion of the funding for Medicaid and sets guidelines for the program. States also have choices in how they design their program, so Medicaid varies state by state and may have a different name in each state. | <ul style="list-style-type: none"> To find answers to questions about health coverage through Medicaid and CHIP. To get further information about their state's Medicaid program and agency contact information. |

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| Resources | Contact Information | What does this resource do? | How should consumers use this resource? |
|--------------------------------------|---|--|--|
| Medicare | Medicare.gov | This federal program is run by CMS and provides health coverage to qualified individuals who are age 65 or older and/or have a disability. | <ul style="list-style-type: none">• To learn more about eligibility for Medicare or to apply for Medicare online.• To learn more about or make changes to existing Medicare benefits. |
| Social Security Administration (SSA) | SSA.gov | This independent federal agency administers Social Security, a system that distributes financial benefits to retired or disabled people, their spouses, and their dependent children based on their reported earnings. | <ul style="list-style-type: none">• To learn more about available Social Security benefits for which consumers might be eligible.• To apply for a Social Security Number, which is necessary to apply for health coverage through the Marketplace (except for legal immigrants, who can provide a document number). |

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