

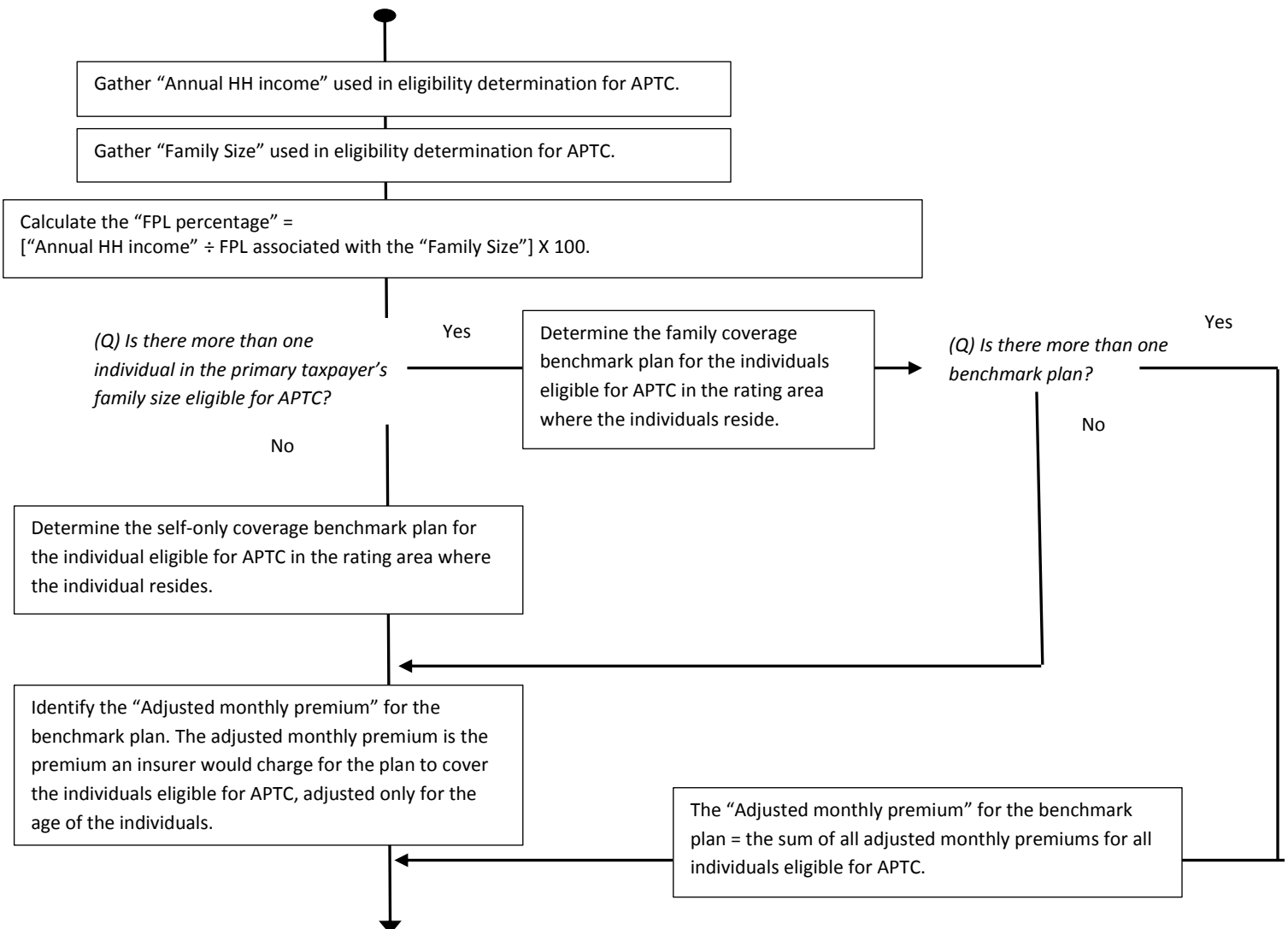
## Calculating the Advance Premium Tax Credit – Initial Enrollment

There are many variables associated with the amount of the premium tax credit. It is retrospectively determined when a primary taxpayer files his or her tax return and is based on several factors: the number of covered months, the number of qualified individuals covered, household income of the primary taxpayer, family size of the primary taxpayer, benchmark plan associated with primary taxpayer, applicable percentage that determines the primary taxpayer’s share of premiums for a benchmark plan, the actual plan premiums, etc. Assumption is that the Exchange will need to prospectively determine the monthly premium tax credit for each QHP offered to the application filer to help the application filer decide which QHP(s) to enroll qualified individuals. Assumption is this monthly amount will carry forward throughout the taxable year unless a change is reported/discovered in which case a redetermination is made.

**Pre-conditions:** Eligibility determination has been completed for all individuals seeking an eligibility determination for insurance affordability programs. All qualified individuals associated with an application has been determined, and at least 1 individual within an primary taxpayer’s household has been determined eligible for the advance premium tax credit. Iterate on each primary taxpayer.

**Authority:** § 1.36B – 3

**Assumptions:** FPL percentage is rounded up to the nearest whole number (145.1 becomes 146% FPL). Dollar amounts are rounded to the nearest whole dollar (drop amounts when under 50 cents, increase amounts when above) upon completion of the calculation.



(Q) Are any individuals for whom the primary taxpayer claims a tax exemption not lawfully present?

No

Yes

Determine a "Modified Family Size" by counting only individuals lawfully present.

Calculate a "Modified Annual HH income" =

"Annual HH income" X (FPL associated with the "Modified Family Size" ÷ FPL associated with the "Family Size")

Calculate the "Modified FPL percentage" =

["Modified Annual HH income" ÷ FPL associated with the "Modified Family Size"] X 100.

(Q) Is the "FPL percentage" less than 133%?

No

Yes

The "Applicable Percentage" = 2.0%

(Q) Is the "FPL percentage" at least 133% but less than 150%?

No

Yes

Calculate the "Applicable Percentage" =  
 $\{[(\text{"FPL percentage"} - 133) \div (150 - 133)] \times (4 - 3)\} + 3$   
Round to the nearest one-hundredth of one percent

(Q) Is the "FPL percentage" at least 150% but less than 200%?

No

Yes

Calculate the "Applicable Percentage" =  
 $\{[(\text{"FPL percentage"} - 150) \div (200 - 150)] \times (6.3 - 4)\} + 4$   
Round to the nearest one-hundredth of one percent

(Q) Is the "FPL percentage" at least 200% but less than 250%?

No

Yes

Calculate the "Applicable Percentage" =  
 $\{[(\text{"FPL percentage"} - 200) \div (250 - 200)] \times (8.05 - 6.3)\} + 6.3$   
Round to the nearest one-hundredth of one percent

(Q) Is the "FPL percentage" at least 250% but less than 300%?

No

Yes

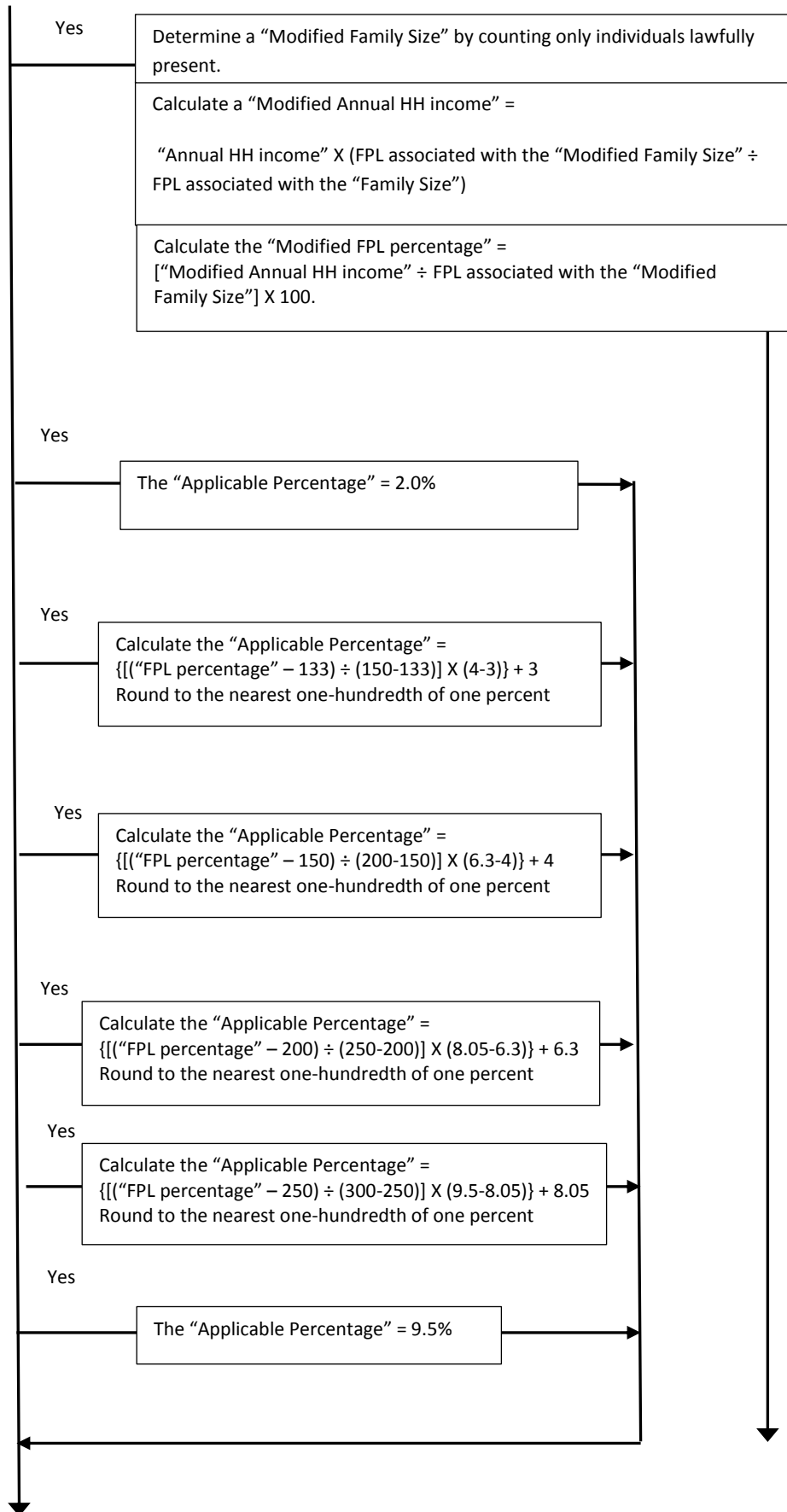
Calculate the "Applicable Percentage" =  
 $\{[(\text{"FPL percentage"} - 250) \div (300 - 250)] \times (9.5 - 8.05)\} + 8.05$   
Round to the nearest one-hundredth of one percent

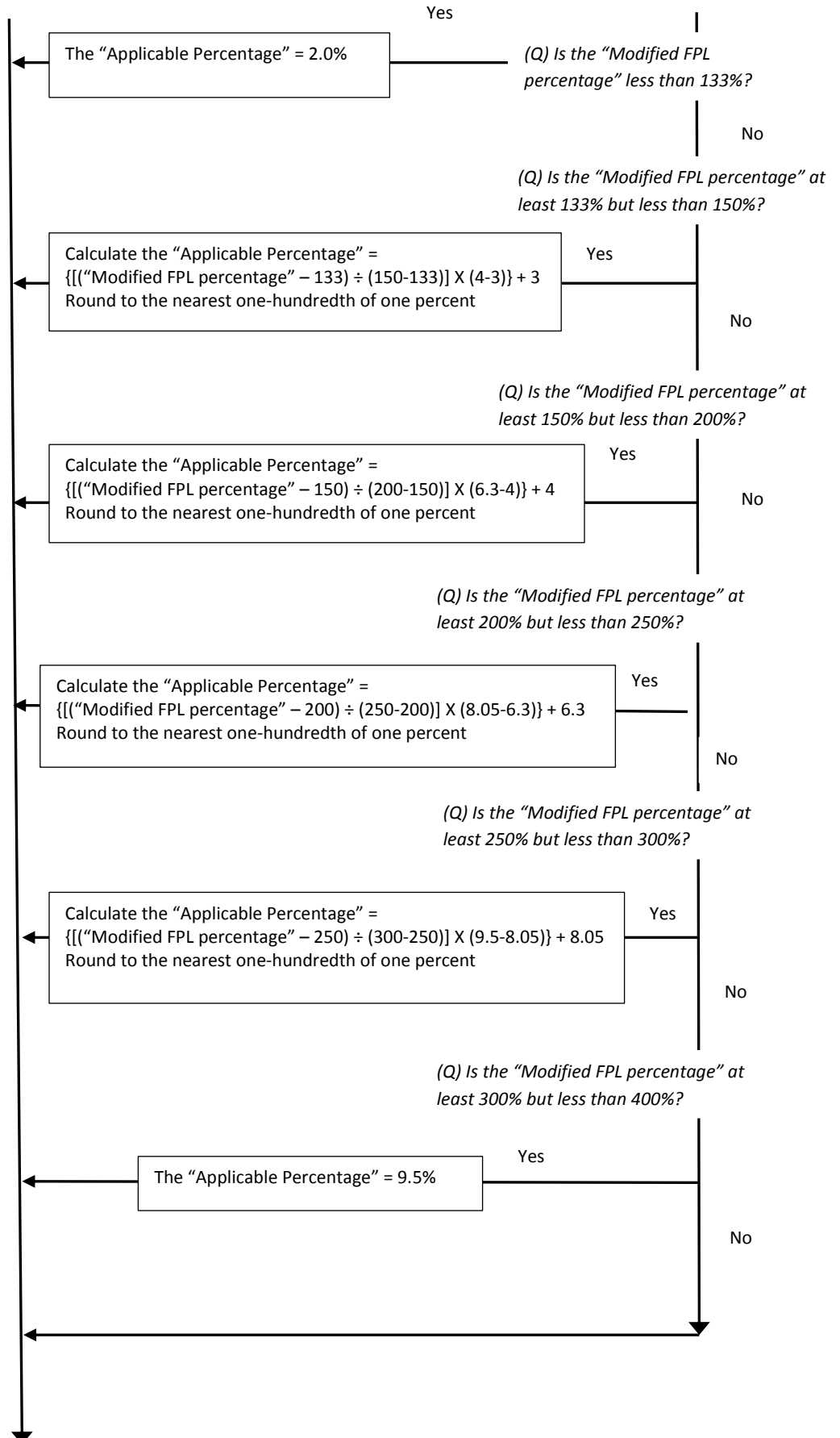
(Q) Is the "FPL percentage" at least 300% but less than 400%?

No

Yes

The "Applicable Percentage" = 9.5%





Calculate the "Premium Assistance Amount based on Benchmark" =  
 "Adjusted monthly premium" – [{"Annual HH Income" X ("Applicable Percentage" ÷ 100)] ÷ 12}

Iterate on each QHP available to the primary taxpayer:

Identify the "Actual QHP monthly premium." It is the actual monthly cost to enroll in the QHP.

(Q) Does the QHP offer additional benefits in addition to the essential health benefits?

Yes

Exclude the portion of the premium properly allocable to the additional benefits when determining the "Actual QHP monthly premium"

No

(Q) Does the QHP cover individuals not in the "Family Size" of the primary taxpayer?

Yes

Allocate the amount of "Actual QHP monthly premium" attributed to the primary taxpayer in proportion to the premiums for each taxpayer's the benchmark plan.

"Total adjusted monthly premium" = sum of all "Adjusted monthly premium" for individuals covered by the QHP.

"Actual QHP monthly premium" = "Actual QHP monthly premium" X ("Adjusted monthly premium" ÷ "Total adjusted monthly premium")

No

(Q) Will the primary taxpayer or a member of the "Family Size" also enroll in a pediatric dental coverage with the QHP?

Yes

Include the actual monthly cost of the pediatric dental coverage when determining the "Actual QHP monthly premium"

No

(Q) Is the "Actual QHP monthly premium" less than the "Premium Assistance Amount based on Benchmark"?

Yes

The "Premium Assistance Amount" = "Actual QHP monthly premium"

No

The "Premium Assistance Amount" = "Premium Assistance Amount based on Benchmark"