

What Information is a Health Insurance Marketplace Collecting about Potential Enrollees?

With the open enrollment period for the Affordable Care Act's Health Insurance marketplaces drawing to a close at the end of March 2014, potential applicants and others have expressed concern about the types and amount of information that marketplaces are collecting in order to enroll individuals and families in new Qualified Health Plans. Much of this uneasiness can be attributed to the fact that the vast majority of new marketplace applications occur online, and thus applicant information is now digitally saved. But as a result of the ACA's new insurance market reforms (e.g., no preexisting condition exclusions, community rating of premiums), new insurance applicants are being asked to submit far less information than prior to the ACA's enactment; though now the information is submitted to a governmental entity (the marketplace), not only the insurance company.

Marketplaces are run either by the state itself (16 states and DC) or by the federal government alone or in partnership with the state (34 states). When applying for insurance coverage, all applicants are asked a very limited set of questions: name; social security number or immigration status; zip code; size of family seeking coverage; age; and tobacco use. Additionally, if the applicant is seeking help paying for the insurance plan through governmental subsidies, then a few more questions must be answered: employment status and location; projected income for the next year; and whether you have enrolled or been offered other insurance coverage. Finally, if the applicant is seeking an exemption from the insurance requirement, the reason for the exemption must be provided and supported. In other words, the marketplaces ask for a limited amount of information and then use it to determine an applicant's eligibility for: (1) enrollment in a qualified health plan; (2) subsidies to help pay for a qualified health plan (known as "Insurance Affordability Programs"); and (3) certifications of exemption from the requirement to buy health insurance.

The marketplace (state or federal)* will share this information with other entities to verify its accuracy and determine eligibility to purchase a plan and help pay for coverage, if applicable. For example, the Social Security Administration, Department of Homeland Security, select marketplace contractors and various state agencies will all have contact with the marketplace and review this information when needed. Once an applicant in a federally-facilitated marketplace selects a plan, CMS will use the information described above to send notices to employers, transfer your information to the appropriate insurance company or state agency, and make reports to the Internal Revenue Service if the applicant requests assistance paying for the plan.

The marketplaces and other governmental agencies will only share an applicant's information as needed and allowed by the "System of Records Notice" or as authorized or required by law. The System of Records Notice applicable to marketplaces informs the public of the existence of a system of records and describes the type of information that the government will be collecting, who will be collecting the information, how it will be safeguarded, the purpose for collecting such information. It is an advance notice to the public that must be given before an agency begins to collect.

*State-run marketplaces may have rules that vary to some degree with respect to the sharing of this information.

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