

MYTH: When individuals and families enroll in a qualified health plan through the new marketplaces under the Affordable Care Act, their personally identifiable information is being collected and stored in a large, central database controlled by the federal government.

FACT: Personally identifiable information collected by the marketplaces is used determine an applicant's eligibility for enrollment in a plan, as well as subsidies and exemptions if applicable, and the state and federal governments are not creating a massive federal database containing this information.

Before the Affordable Care Act established widespread insurance market reforms and set up new health insurance marketplaces for the purchase of regulated health plans, individuals and families seeking to purchase commercial health insurance interacted only with the insurance company and perhaps an employer. Marketplaces, which are regulated environments selling commercial health plans, have now been set up under the ACA. They may be run either by the state itself (in 16 states and DC) or by the federal government, alone or in partnership with the state (in 34 states). The vast majority of marketplace enrollments occur online, digitizing this personal information and requiring it to travel via the internet.

These changes have given rise to concerns about what exactly the government (state or federal) is doing with the information that applicants must submit in order to enroll in a plan through a marketplace. In fact, some have opined that enrollment information is being stored in a massive, central database controlled by the federal government. These concerns are unfounded.

The information being collected is used solely for the purposes of determining 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. While this information will be

shared with various agencies to determine its accuracy (such as IRS, Homeland Security, CMS, Social Security), as well as several additional entities to effectuate coverage (such as insurance companies and marketplace contractors), the information submitted by applicants across all marketplaces is not being centrally stored in a federal database and will not be used for any reason other than those stated above.

Specifically, applicants are asked their name, social security number or immigration status, zip code, size of family seeking coverage, their age(s), and whether they use tobacco. If the applicant is seeking help paying for the insurance plan, then he/she must provide additional information on employment status, income, and other insurance coverage available. The marketplace needs this information to help applicants enroll, report and manage any available subsidies, communicate with applicants throughout the process, help keep your coverage up to date, respond to any complaints or feedback, combat fraud and abuse, respond to breaches of confidential information, and other such important, consumer-focused tasks.

So, while it is true that certain governmental agencies, including the marketplaces themselves, will have personally identifiable information about applicants for health coverage, the information is not stored centrally or used for purposes outside of health plan enrollment.

For more information on state and federal laws related to the health insurance exchanges, see <http://www.healthinfo.org/topics/91>. For more information about the Affordable Care Act, see <http://www.healthinfo.org/federal-law/ACA>. Follow us on Twitter at @HealthInfoLaw.