Individual Healthcare Mandate & Subsidy Program

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Program Agenda

• Mandate Program
• Franchise Tax Board’s Role
• Progress to Date
• Next Steps
Individual Healthcare Mandate & Subsidy Program

Mandate Program

- Established to closely mirror the federal Affordable Care Act
- The CA individual mandate becomes effective January 1, 2020
- Penalties:
  - $695 per adult
  - $347 per minor
  - High income earners may have a larger penalty
  - Insurers and others to provide coverage data to FTB
Subsidy Program

• Subsidies are based on:
  • Earnings at or below 600% of the federal poverty level
  • Estimated income

• State subsidy program would sunset December 31, 2022
Individual Healthcare Mandate & Subsidy Program

Health Mandate and Premium Subsidy Program

• Administer the Individual Shared Responsibility Penalty
  – Establish data sharing agreements
  – Develop healthcare related instructions and forms
  – Create business rules to for validation, compliance, and enforcement efforts
  – Collect insured data for mandated reports
Individual Healthcare Mandate & Subsidy Program

Progress To Date

- FTB project team created
- Covered California interagency workgroup team
- Completed procurement for system changes
- Developed a project plan and schedule
Individual Healthcare Mandate & Subsidy Program

Next Steps

• Start planning regulatory process
• Public outreach and communication
  – Webpage on ftb.ca.gov with basic information and link to Covered CA
  – Joint News Release with Covered CA
  – Social Media Campaign
  – Stakeholder meeting on November 14, 2019
• System design and implementation
Questions?