



# How to Resolve Income Data Matching Inconsistencies (DMIs)



*March 2024*

*This information is intended only for the use of entities and individuals certified to serve as Navigators, certified application counselors, or non-Navigator personnel 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 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 material was produced and disseminated at U.S. tax filer expense.*

# Agenda

- DMI Refresher
- Income DMI overview
- What to include as income
- Collaborate with consumers to resolve income DMIs
- Tips and Resources



# Knowledge Check #1

What type of consumer information does the Federal Service Hub verify?

- A. Citizenship
- B. Income
- C. Coverage
- D. All of the above



# Knowledge Check #1 Answer

What type of consumer information does the Federal Service Hub verify?

- A. Citizenship
- B. Income
- C. Coverage
- D. All of the above

**Answer: D. All of the above** The Hub verifies citizenship, income, and coverage.

# Knowledge Check #2

If consumers apply for financial assistance, the Federally-facilitated Marketplaces (FFMs) will verify:

- A. Current monthly household income and family size
- B. Annual household income and family size
- C. Current monthly household debts
- D. Both A and B are correct



# Knowledge Check #2 Answer

If consumers apply for financial assistance, the Federally-facilitated Marketplaces (FFMs) will verify:

- A. Current monthly household income and family size
- B. Annual household income and family size
- C. Current monthly household debts
- D. Both A and B are correct

**Answer: D. Both A and B are correct** The FFMs will verify current monthly household income and family size, and annual household income and family size.

# What is a Data Matching Issue (DMI)?

- Generally, DMIs are generated if:
  - A consumer's information doesn't match information from the Marketplace's trusted data sources.
  - A trusted data source doesn't have information for a consumer.
- Information that is missing or incorrect on the application may also lead to a DMI, such as when:
  - A consumer didn't provide a Social Security Number (SSN) on their application.
  - A consumer didn't provide all household income on the application.
  - A consumer's name used for their application differs from how it appears on their citizenship document or other document.
  - A consumer failed to provide their immigration document numbers and/or ID numbers.



# What is a DMI? (Cont.)

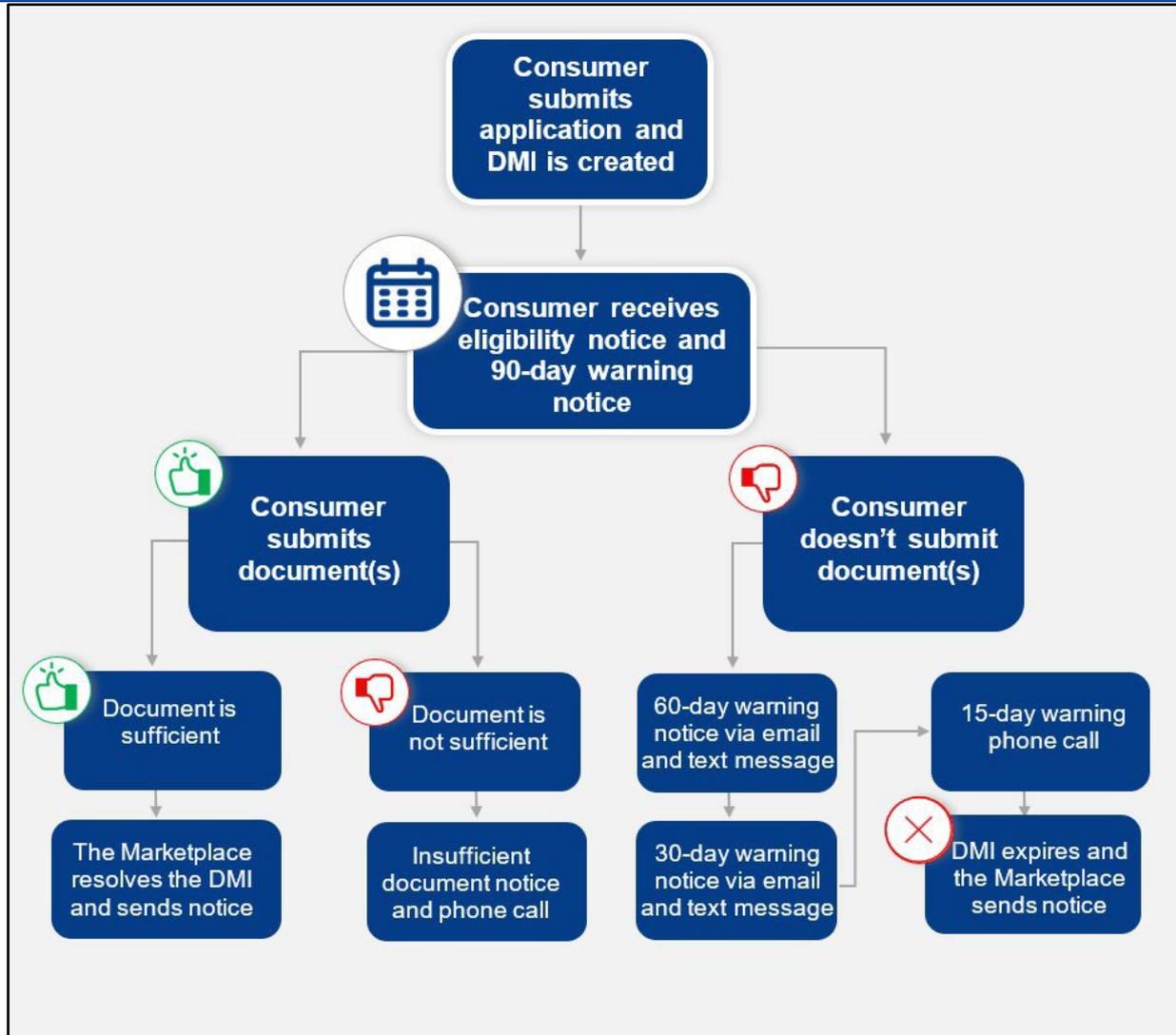
- The most common types of DMIs are income, citizenship, and immigration.
- Consumers with income-related DMIs have 90 days from the date the eligibility notice was sent to resolve the issue.
  - However, effective June 18, 2023, if consumers in the FFM are unable to resolve their issue within 90 days, they have an additional 60 days to resolve an income-related DMI.
- Consumers with immigration/citizenship DMIs have 95 days from the date the eligibility notice was sent to resolve the issue.



# DMI Notices and Consumer Outreach

- When a DMI occurs, the Marketplace sends consumers an eligibility determination notice (EDN) to help them resolve the issues.
  - If a consumer has a DMI, the consumer's notice will indicate "Your eligibility is temporary."
- Consumers with DMIs will receive 90-, 60-, and 30-day warning notices—electronically or via paper according to communication preferences—as well as a phone call and email to ask for documents if the DMI has not been resolved.
- In order to resolve a DMI, the consumer must submit required documents to the Marketplace. The Marketplace will determine if the documents are sufficient to resolve the DMI.
  - If the documents are sufficient, the DMI is resolved, and the consumer is notified.
  - If the documents are insufficient, the consumer is notified and must submit additional documents to resolve the DMI.

# DMI Notices and Consumer Outreach (Cont.)



# Household Income DMI Overview

- The FFM verifies consumers' income to provide the correct financial assistance and to help protect against owing money back when filing annual federal income tax returns.
- Financial assistance for FFM plans is based on:
  - Consumers' **expected household income for the year they want coverage, not last year's income.**
    - Consumers may have the option to enter their income as monthly or yearly.
  - Income is counted for applicants, their spouses, and everyone whom they will claim as a tax dependent on their federal income tax return.
    - **Tax Household = Tax filer + spouse + tax dependents**
  - **TIP:** Remember to include all the household members' income, even if they don't need health coverage.



# Household Income DMI Overview (Cont.)

- How do consumers know if they have an income DMI?
  - Review the EDN.
    - The EDN will indicate whether the applicant or any other household members need to submit documents to confirm household income.
    - Consumers can review their EDN in their Marketplace account at HealthCare.gov or Enhanced Direct Enrollment (EDE) partner sites, if the consumers applied for enrollment through the EDE partner site.
  - A list of third-party entities approved to use an EDE pathway is located at [CMS.gov/files/document/ede-approved-partner-list-042823.pdf](https://www.cms.gov/files/document/ede-approved-partner-list-042823.pdf).

# Household Income DMI Overview (Cont.)

- Deadline to send documents for an annual income DMI:
  - 90 days from the EDN.
    - Consumers will have 90 days from the date their eligibility decision was sent to send documents that match the attested income on their application.
    - The Marketplace will make multiple attempts throughout the 90-day timeline to inform consumers of their income DMI.
    - If consumers are unable to submit sufficient documentation to resolve their income DMI, they will be provided an additional 60 days to submit documentation to verify their income attestation.

# Household Income DMI Overview (Cont.)

- If consumers don't send documents in a timely manner, or if the Marketplace can't verify the expected annual household income, consumers may be **at risk of losing** their financial assistance or having it adjusted to reflect the income information from the Marketplace's trusted data sources.
- If consumers enroll and use any advance payments of the premium tax credit (APTC) amount during an inconsistency period, they must acknowledge that those payments are subject to reconciliation when they file federal income tax returns.

# What to Include as Annual Household Income

- Modified adjusted gross income (MAGI)
  - The Marketplace uses a measure of income called MAGI to determine eligibility for financial assistance. It's not a line on the tax return.
  - MAGI includes income for each person listed on the consumer's federal income tax return for the year they are getting help paying for coverage.
  - How to calculate MAGI:
    - $\text{MAGI calculation} = \text{adjusted gross income (AGI)} + \text{foreign income excluded from AGI} + \text{nontaxable Social Security benefits (including tier 1 railroad retirement benefits)} + \text{tax-exempt interest received or accrued during the tax year.}$
- MAGI doesn't include Supplemental Security Income (SSI), child support payments, gifts, veteran's disability payments, worker's compensation, alimony for divorces finalized after December 31, 2018, or proceeds from loans, like student loans.

# Why Do Some Consumers Trigger an Income DMI?

Consumers will be asked to send documents to confirm their annual household income if:

- Expected household income they attest to in the application is **not within the acceptable threshold of 50 percent or \$12,000, whichever is greater, as reported by the Marketplace's data sources.**
- The Marketplace is unable to find household income records within its data sources.



# Why Do Some Consumers Trigger an Income DMI? (Cont.)

**Example:** If Peter estimates an annual household income of \$15,000 for the year he wants coverage, but the Marketplace's data sources report an annual income of \$34,000 for his household (both 50 percent and \$12,000 higher than his attested household income), Peter may be asked to send documents to confirm his attested household income of \$15,000.

**Note:** Since May 5, 2021, if a consumer attests to household income between 100 and 400 percent of the federal poverty level (FPL), but trusted data sources show an income below 100 percent FPL, the consumer will not be required to submit documents for income verification.



# Tips for Calculating Annual Household Income

- Consider things like expected raises, new jobs, or other employment changes; changes in income from self-employment; and higher or lower tax deductions.
- Make sure to include income changes for a spouse who files jointly, or anyone listed as a dependent on a person's federal income tax return for the year they want coverage.
- Account for any expected changes to household size, like if an adult child will no longer be claimed as a tax dependent on a person's federal income tax return and will file their own federal income tax return for the first time.



# Tips for Calculating Annual Household Income (Cont.)

- Remember to update the household income throughout the year if anyone in the household experiences certain changes (e.g., income, family size).
  - If household income increases, consumers may have to pay money back when they file their federal income tax return for the year.
  - If household income decreases, consumers may be eligible for more financial assistance or could qualify for Medicaid or the Children's Health Insurance Program (CHIP) coverage.
- For more tips and information on how to estimate household income, visit [HealthCare.gov/income-and-household-information/how-to-report](https://www.healthcare.gov/income-and-household-information/how-to-report).



# Collaborate with Consumers to Resolve DMIs

- Everyone working with consumers to enroll in the Marketplace plays a vital role in helping consumers understand and follow the correct process to resolve DMIs.
- We need your help for those consumers who have not submitted acceptable documents or have not had their DMI adjudicated.



# Steps to Resolve Household Income DMIs

- Assisters should help consumers with income DMIs to:
  1. Confirm if they have a DMI through their Marketplace account and notices.
  2. Review the application to confirm the information that is included is correct.
  3. Identify which document(s) will be the best one(s) to submit.
  4. Submit document(s) online or by mail to resolve their income DMI.



# Submitting Documents

- Consumers must submit sufficient documents.
  - If sufficient documents are submitted and resolve the Income DMI, the Marketplace will send a notice that indicates nothing further is needed.
- Consumers need to report **all** of the household members' names, birth dates, and income, **even if a household member is not applying for coverage**.
- Consumers may request more time to submit documents if they can't obtain the required documents within the 90-day DMI window by calling the Marketplace Call Center and demonstrating that a good faith effort has been made to obtain the required documents during the period.



# Submitting Documents (Cont.)

- If consumers have difficulty resolving after submitting multiple documents or do not have any documents available (including due to a special circumstance like a fire, flood, etc.), they should submit a letter of explanation. This should include their name, application number, date of birth, current date, and their expected annual household income for the year. A template to fill out a Written Explanation is available at [HealthCare.gov/downloads/annual-income-letter-explanation.pdf](https://www.healthcare.gov/downloads/annual-income-letter-explanation.pdf).



# Self-Employment Income



Consumers who are self-employed would need to report their self-employment income.

- Self-employment net income is what consumers report on Schedule C of their federal income tax return.
- The Marketplace may ask consumers to upload a “self-employment ledger” to verify their income.
  - The “self-employment ledger” needs to provide an accurate, detailed record of their self-employment income and expenses.

# Verifying Self-Employment Income

Scenario Compared to Last Year	Best Documents to Submit for Verification
<p>No change: The amount and source are the same as last year (e.g., the consumer has the same job with the same pay)</p>	<p><b>1040 Schedule C/F or SE (for self-employment income), 1065 Schedule K1 with Schedule E, or 1099-MISC (Self-employment) that shows:</b></p> <ul style="list-style-type: none"><li>▪ First and last name of everyone covered by the return</li><li>▪ Income amounts</li><li>▪ Year of return</li></ul>
<p>Amount change: The consumer's income amount is different from last year, but the same source (e.g., they're self-employed and work more hours)</p>	<p><b>Self-employment document</b> (self-employment ledger) that shows:</p> <ul style="list-style-type: none"><li>▪ First and last name of earner</li><li>▪ Company name</li><li>▪ Income amount, including dates covered by the ledger and the net amount from profit/loss</li></ul> <p>Note: If the consumer doesn't expect their self-employment income to be the same as the amount on the most recent profit and loss statement, they should include estimates for the rest of the year.</p>
<p>Source change: The consumer's income source (or source and amount) is different from last year (e.g., no self-employment income last year)</p>	<p><b>Self-employment document</b> (self-employment ledger) that shows:</p> <ul style="list-style-type: none"><li>▪ First and last name of earner</li><li>▪ Company name</li><li>▪ Net income after profit and loss are calculated</li><li>▪ Start and end dates for the amount in the document</li></ul> <p>Note: If the consumer doesn't expect their self-employment income to be the same as the amount on the most recent profit and loss statement, they should include estimates for the rest of the year.</p>

# Action Required Notice

**ACTION REQUIRED: The Health Insurance Marketplace needs more information to verify your annual household income and make sure you can keep your financial assistance.**

This notice affects: [REDACTED]

Thank you for submitting a written explanation about your household income. However, it doesn't have all the information we need. Review the items marked with an "X" below for specific issues and next steps.

X	Issues with your written explanation	Next steps
	You didn't list an income source.	Submit a new written explanation that tells us where your income comes from.
	You didn't state how often you receive the income or the period of time the income covers.	Submit a new written explanation that describes how often you receive payment or the applicable dates of income.
X	You listed an amount that doesn't match the amount you stated on your Marketplace application.	Update your Marketplace application to match the annual household income amount you expect to receive for the year.
	You claimed that your household doesn't have income, but you previously submitted a document that showed income for this year for you or another member of your household.	Submit a new written explanation that clarifies if you have income for this year.
	You asked us to disregard an income document you sent us, but didn't explain what specific income amount in the document shouldn't be used to calculate your income for the year.	Submit a new written explanation describing exactly what or whose income information from your previous documents shouldn't be used to calculate your income for the year. Tell us why that information shouldn't be used.

# Income DMI Acceptable Documents

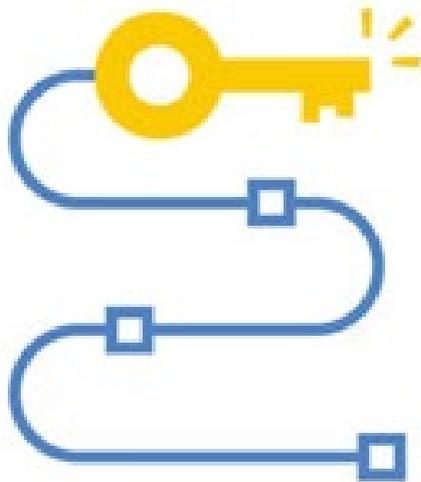
- Tax return
- Wages and Tax Statement (W-2)
- Tax Statement from SSA 1042
- Pay stub
- Letter from employer
- Cost of living adjustment letter and other benefit verification notices
- Lease agreement (for household members who are lessors)
- Copy of a check paid to the household member
- Bank or investment fund statement
- Self-employment ledger
- Letter from government agency for unemployment benefits
- Document or letter from Social Security Administration (SSA)
- Form SSA 1099 Social Security Benefits Statement
- Court record for alimony and records of agency through which alimony is paid
- Legal documents that establish amount and frequency of alimony
- IRS tax refunds
- 1065 Schedule K1 with Schedule E
- Receipts from all allowable expenses
- Signed time sheets with receipt of payroll
- Most recent quarterly or year-to-date profit and loss statement

# Income DMI Acceptable Documents (Cont.)

- Annuities
- Pensions from any government or private source
- Workers' compensation documentation
- Prizes, settlements, and awards, including court-ordered awards
- Proceeds of life insurance policies
- Gifts and contributions
- Inheritance in cash or property
- Rental income
- Strike pay or other benefits from unions
- Money from the sale, exchange, or replacement of items a consumer owns
- Interest on dividend income
- Proceeds of a loan
- Royalties
- Bonus or incentive payments
- Severance pay
- Sick pay
- Disability payments
- Deferred compensation payments

# Tips to Avoid Income DMIs

Assisters can help consumers avoid income DMIs by advising consumers to:



- Complete all possible fields in the application.
- Ensure consumer's name exactly matches documents such as their Social Security card.
- Double check that the information on the application is complete and that there are no errors or typos.

**Note:** Non-applicants in the household are strongly encouraged to provide an SSN if they have one.

# Tips to Confirm Household Income Information

When assisting consumers with household income information, assisters should:

- Remind consumers who qualify for financial assistance that they **MUST** file and reconcile their taxes, even if they typically do not file taxes.
- Encourage consumers who are self-employed to track their income in a detailed self-employment ledger.
- Encourage consumers to act quickly – consumers usually have 90 days to resolve an annual income DMI before their financial help could change or end.
- Remind consumers that the Marketplace will send them a notice (usually around one month after the Marketplace receives their documents) to let them know whether their income DMI was resolved or if more information is needed.



# DMI Resources for Consumers and Assistants

- **Annual Income Written Letter Template:** [HealthCare.gov/downloads/annual-income-letter-explanation.pdf](https://www.healthcare.gov/downloads/annual-income-letter-explanation.pdf)
- **How do I Resolve an Inconsistency?:** [HealthCare.gov/help/how-do-i-resolve-an-inconsistency](https://www.healthcare.gov/help/how-do-i-resolve-an-inconsistency)
- **Complex Cases: Navigating Eligibility for SEPs and Resolving SVIs and DMIs:** [CMS.gov/marketplace/technical-assistance-resources/sep-overview-complex-case-scenarios.pdf](https://www.cms.gov/marketplace/technical-assistance-resources/sep-overview-complex-case-scenarios.pdf)
- **Tips to Resolve Outstanding Data Matching Issues:** [CMS.gov/marketplace/technical-assistance-resources/helping-consumers-resolve-dmi-.pdf](https://www.cms.gov/marketplace/technical-assistance-resources/helping-consumers-resolve-dmi-.pdf)
- **Consumer Guide for Annual Data Matching Issues:** [CMS.gov/marketplace/outreach-and-education/household-income-data-matching-issues.pdf](https://www.cms.gov/marketplace/outreach-and-education/household-income-data-matching-issues.pdf)



# DMI Resources for Consumers and Assistors (Cont.)

- **When the Marketplace Needs More Information:** [HealthCare.gov/verify-information/](https://www.healthcare.gov/verify-information/)
- **Sample data matching notices to consumers:** [CMS.gov/marketplace/in-person-assisters/applications-forms-notices/notices](https://www.cms.gov/marketplace/in-person-assisters/applications-forms-notices/notices)
- **How Do I Upload a Document?:** [HealthCare.gov/help/how-to-upload-documents](https://www.healthcare.gov/help/how-to-upload-documents)
- **Uploading documents tips:** [HealthCare.gov/tips-and-troubleshooting/uploading-documents](https://www.healthcare.gov/tips-and-troubleshooting/uploading-documents)
- **Five Things Assistors Should Know About Data Matching Terminations fact sheet:** [HHS.gov/guidance/sites/default/files/hhs-guidance-documents/11851-5-Things-Assisters-Should-Know-about-Data-Matching-Terminations.pdf](https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/11851-5-Things-Assisters-Should-Know-about-Data-Matching-Terminations.pdf)



# Questions

