

Chapter 10: Shared Responsibility Payment & Exemptions

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Chapter 10: Shared Responsibility Payment & Exemptions

A. Overview of Shared Responsibility Payment & Exemptions

The Patient Protection & Affordable Care Act (ACA) requires that individuals have “minimum essential coverage” (MEC) each month of a calendar year or make a shared responsibility payment (sometimes referred to as a “fee”) when they file their federal income tax return after the end of the year.¹ Taxpayers must pay the shared responsibility payment for themselves and for any tax dependents who did not have MEC.² The shared responsibility payment is based on the number of months for which an individual does not have MEC (with some exceptions described below). If the individual has MEC for a single day in a month, the individual is considered to have MEC for that month.³

The shared responsibility payment is shown in the following table.⁴ Individuals who are required to make a shared responsibility payment must pay the greater of a set percentage of income above the tax-filing threshold⁵ or a flat dollar amount as shown in the table below. There is a cap on the amount of the shared responsibility payment for families regardless of family size. *The total shared responsibility payment for the taxable year may not exceed the national average of the annual premiums of a Bronze plan offered through the federal marketplace.*

Table 1. Shared Responsibility Payment

Year	Payment is the greater of:	
	Income Above Tax-Filing Threshold (%)	Flat Dollar Amount
		Adult Child
2016 and beyond	2.5%	\$695 ⁶ \$347.50 (up to \$2,085 per family)

If an individual lacks MEC for the entire year, he or she will be required to pay the full shared responsibility payment. If a customer goes without MEC for only a subset of months, the size of the shared responsibility payment is pro-rated based on how many months an individual lacked MEC.⁷ For example, an individual who lacks MEC for 6 months of the year would be required to pay 50% (derived from 6 /12= .50) of the shared responsibility payment identified in the Table 1 above.

The Affordable Care Act (“ACA”) provides exemptions for this requirement, upon request, for certain categories of individuals.⁸ In general, these exemptions are designed to ensure that individuals facing financial hardship or who have religious or other reasons not to enroll in coverage do not face a financial

¹ ACA Section 1501; 26 CFR 1.5000A-1(a)

² ACA Section 1501; 26 CFR 1.5000A-1(c)

³ 26 CFR 1.5000A-1(b)

⁴ 26 CFR 1.5000A-4(b)

⁵ IRS sets the tax filing threshold annually. Individuals whose gross income exceeds the tax filing threshold are required to file a tax return. There are different thresholds for each of the following tax filing status type single, head of household, married filing jointly and surviving spouses, married filing separately. These thresholds will need to be used to calculate an individual’s shared responsibility payment.

⁶ After 2016, the \$695 shared responsibility payment will be adjusted for cost-of-living changes. 26 CFR 1.5000A-4(b)(iv).

⁷ 26 U.S. Code § 5000A(e)(4)(B)(iii)

⁸ ACA Section 1311; 26 CFR 1.5000A-3

penalty. There also is an exemption for customers who have short gaps in coverage during the calendar year.⁹ Eligibility for these exemptions and the application process to apply for an exemption are described in detail below.

B. Minimum Essential Coverage (MEC)

1) Overview

Individuals who did not have MEC for three or more continuous months in the previous year are required to make a shared responsibility payment when they file their federal income taxes after the end of the year.¹⁰

In other words, individuals may go *up to* three months without MEC without incurring a penalty, but once they have gone three or more months without MEC, the “short gap in coverage” exemption would no longer apply. The following types of private and government-sponsored health coverage qualify as MEC:¹¹

Private Coverage
<p>Employer-sponsored plan, including:¹²</p> <ul style="list-style-type: none"> • Group health insurance plan offered by, or on behalf of, an employer to employees.¹³ • Self-insured group health plans under which coverage is offered by, or on behalf of, an employer to the employee, regardless of whether the plan could be offered in the large or small group market in a state;¹⁴ • COBRA coverage;¹⁵ • Retiree coverage;¹⁶ and • Plans offered to an employee by a third party, such as a professional employer organization or leasing company, on behalf of an employer.¹⁷
<ul style="list-style-type: none"> • Individual market plan, including a plan purchased through HealthSource RI.¹⁸
<ul style="list-style-type: none"> • Grandfathered health plan.¹⁹ A grandfathered plan is an individual or group health insurance plan that was in existence prior to March 23, 2010, has continuously provided

⁹ 26 U.S. Code § 5000A(e)(4)(A)

¹⁰ 26 U.S. Code § 5000A(b)(1)

¹¹ ACA Section 1501; 45 CFR 156.602. Note that this definition of MEC is for the purpose of the shared responsibility payment; this is not the MEC definition used to determine eligibility for advance premium tax credits and cost sharing reductions.

¹² ACA Section 1501; 26 CFR 1.5000A-2(c)

¹³ 26 CFR 1.5000A-2(c)

¹⁴ 26 CFR 1.5000A-2(c)(ii).

¹⁵ See IRS Questions and Answers on the Shared Responsibility Payment, available at: <http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision>. Accessed November 11, 2013.

¹⁶ 78 Fed. Reg. 53650

¹⁷ 26 CFR 1.5000A-2(c)

¹⁸ ACA Section 1501; 26 CFR 1.5000A-2(d)

¹⁹ ACA Section 1501; 26 CFR 1.5000A-2(e)

coverage since then, and that has not undergone substantial change.
<ul style="list-style-type: none"> Self-funded student health coverage²⁰ (for plan years that begin prior to or on December 31, 2014; after this date, plans must secure recognition from HHS to be deemed MEC)

Government-Sponsored Coverage	
Medicare Part A Coverage ²¹ and Medicare Advantage ²²	Medicaid ²³ (there are limited exceptions described in detail below)
Certain types of veterans' health coverage ²⁴ and TRICARE military coverage ²⁵	Children's Health Insurance Program, also known as Rite Care ²⁶
Peace Corps volunteer plans ²⁷	Non-appropriated Fund Health Benefits Program of the Department of Defense ²⁸
Refugee Medical Assistance coverage ²⁹ that provides up to eight months of coverage for refugees.	State high risk pool coverage ³⁰ (for plan years that begin prior to or on December 31, 2014; after this date, plans must secure recognition from HHS to be deemed MEC)

a) Types of Limited Medicaid Coverage That do Not Count as MEC

Individuals who are enrolled in Medicaid and receive full benefits are considered to have MEC. However, some individuals who receive limited benefits under Medicaid are not considered to have MEC for purposes of the shared responsibility payment. The following types of Medicaid coverage are not considered to be MEC:

- Coverage of pregnancy-related services provided to pregnant women under selected Medicaid eligibility categories.³¹
- Optional coverage of family planning services.

²⁰ 26 CFR 156.602(a)

²¹ ACA Section 1501; 26 CFR 1.5000A-2(b)(i)

²² 26 CFR 156.602(c)

²³ ACA Section 1501; 26 CFR 1.5000A-2(b)(ii),

²⁴ ACA Section 1501; 26 CFR 1.5000A-2(b)(v).

²⁵ ACA Section 1501; 26 CFR 1.5000A-2(b)(iv). For additional information on veteran's health care programs see 38 USC 17.

²⁶ ACA Section 1501; 26 CFR 1.5000A-2(iii)

²⁷ ACA Section 1501; 26 CFR 1.5000A-2(b)(vi). For additional information on Peace Corps volunteer plans see 22 USC 2504(e).

²⁸ 26 CFR 1.5000A-2(b)(vii). This program is also an eligible employer-sponsored plan (78 Fed. Reg. 53651).

²⁹ 26 CFR 156.602(b)

³⁰ 26 CFR 156.602(d)

³¹ Includes individuals enrolled in the Mandatory Poverty-level-related Pregnant Women and Infants group (1902(a)(10)(A)(i)(IV)) and the Optional Poverty level-related Individuals group (1902(a)(10)(A)(ii)(IX)).

- Coverage of emergency medical conditions for individuals who are ineligible for Medicaid due to their immigration status.
- Optional coverage of tuberculosis-related services.

C. Exemptions from the Shared Responsibility Payment

1) Overview

Some individuals may be eligible for an exemption from the shared responsibility payment. In general, these exemptions are designed to ensure that individuals facing financial hardship or who have religious or other reasons not to enroll in coverage do not face a financial penalty.

Depending upon the type of exemption being sought, individuals have two ways to seek an exemption – they may apply for a “Certificate of Exemption” through HealthSource RI or claim the exemption when they file their federal income taxes. Certificates of Exemption issued by HealthSource RI will contain a certificate number. Customers should keep this number to use when they file their federal taxes. Federal rules determine which of the routes are available for each exemption. In some instances, tax filers have a choice – they may apply for a certificate of exemption through HealthSource RI or claim the exemption when they file federal income taxes.

Table 2 below summarizes the categories of exemptions, where individuals go to apply for them, and when they must submit an exemption application; additional details on each exemption are provided in the following table.

Table 2. Summary of Exemptions³²

Exemption	Application Timing
HealthSource RI Only (<i>Individuals must apply for an exemption through HealthSource RI</i>)	
Religious conscience	Individual may apply at any time.
Individuals who experience a hardship	Individual may apply before, during or after the hardship, depending on the circumstances
Individuals who lack affordable coverage based on projected income	Individual must apply for the exemption by the last day on which you could sign up for the available coverage
AmeriCorps coverage	Individual may apply at any time
HealthSource RI or IRS (<i>Individuals can apply through HealthSource RI OR claim an exemption when they file a federal income tax return</i>)	
Members of Indian Tribes or eligible for services through an Indian health care provider	Individual may apply at any time
Members of health care sharing ministries	Individual may only apply retrospectively (i.e., after the end of a calendar year or after you have left the ministry)
Incarcerated individuals	Individual may only apply retrospectively (i.e., after you no

³² 45 CFR 155.605

	longer are incarcerated or after the end of a calendar year)
Only through the IRS on Federal Income Tax Return	
Individuals who lack affordable coverage	Individual may apply only when you file your taxes
Individuals not required to file taxes but who filed anyways and have income above the filing threshold	Individual may apply only when you file your taxes
Individuals who lack affordable coverage when the cost of self-only plans are combined ³³	Individual may apply only when you file your taxes
Individuals with short coverage gaps	Individual may apply only when you file your taxes
Individuals with household income below the applicable tax filing threshold	No application is necessary - Individuals who do not file taxes are automatically granted an exemption
Citizens living abroad and certain noncitizens	Individual may apply only when you file your taxes

Exemptions are typically good for one calendar year unless otherwise noted below.

2) Exemptions Issued Only by HealthSource RI

a) Religious Conscience

Individuals are eligible for an exemption if they are members of a recognized religious sect that objects to having health insurance and they subscribe to the sect's tenants.³⁴ In general, the exemption remains in place until the applicant reports that he or she no longer is a member of the sect, or has ceased to share its beliefs about insurance. If an exempt individual is under 21, the exemption remains in place until the month after the individual's 21st birthday. Individuals must reapply for this exemption when they turn 21 years old.

b) General Hardship Exemption

Individuals are eligible for an exemption if they are facing a hardship that prevents them from purchasing coverage or that would be greatly exacerbated by the purchase of coverage.³⁵ Rhode Island uses the Health and Human Services (HHS) definition of what constitutes a hardship, which includes an individual who:³⁶

- Was homeless;
- Has been evicted in the past six months, or is facing eviction or foreclosure;
- Has received a shut-off notice from a utility company;
- Recently experienced domestic violence;
- Recently experienced the death of a close family member;

³³ The final rule preamble indicates that HHS will continue to consider the feasibility of Exchanges granting this exemption after the first year of operations.

³⁴ 45 CFR 166.605(c); 26 CFR 1.500A-3(a)

³⁵ 45 CFR 155.605(g)(1)

³⁶ CCIIO Guidance on Hardship Exemption Criteria and Special Enrollment Periods, June 26, 2013. Available at: <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/exemptions-guidance-6-26-2013.pdf>.

- Recently experienced a fire, flood, or other natural or human-caused disaster that resulted in substantial damage to the individual's property;
- Filed for bankruptcy in the last 6 months;
- Incurred medical expenses in the last 24 months that resulted in substantial debt;
- experienced unexpected increases in essential expenses due to caring for an ill, disabled, or aging family member;
- Is a child who has been determined ineligible for Medicaid and CHIP, and for whom a party other than the party who expects to claim him or her as a tax dependent is required by court order to provide medical support. *This exemption is only available for the months during which the medical support order is in effect; or*
- Is retroactively determined eligible for enrollment in a QHP through HealthSource RI, advance payments of the premium tax credit, or cost-sharing reductions as a result of an appeal, but was not enrolled prior to the appeal decision (only available for the period of time affected by the appeal decision).
- Experienced a hardship not listed above that prevented the purchase of coverage.

The above also includes individuals and households who had one of the following types of coverage:

- Medicaid coverage provided to a pregnant woman that is not included as government sponsored MEC under IRS regulations and not recognized as MEC by the Secretary in accordance with the CMS SHO #14-002.³⁷
- CHIP coverage provided to an unborn child that includes comprehensive prenatal care for the pregnant mother.
- Medicaid coverage provided to a medically needy individual eligible for Medicaid under section 1902(a)(10)(C) of the Act that is not included as government-sponsored MEC under IRS regulations and not recognized as MEC by the Secretary in accordance with the CMS SHO #14-002.

A general hardship exemption is granted to individuals for the month before the hardship, the month(s) of the hardship, and the month after the hardship. An exemption may be provided for additional months after the hardship, consistent with the circumstances.

c) Lack of affordable coverage based on projected annual income.

Individuals are eligible for an exemption if they lack access to affordable coverage based on what they project their annual income will be for the year they are seeking coverage.³⁸ When evaluating whether someone has access to affordable coverage for exemption purposes, both employer-based and HealthSource RI coverage options must be taken into account:

³⁷ For the 2014 coverage year, access to limited Medicaid coverage as described in this section was treated as a hardship exemption. For 2015, states have been granted the flexibility to recognize an exemption for individuals with pregnancy-related Medicaid only.

³⁸ 45 CFR 155.605(g)(2); 26 CFR 1.5000A-3(e). The definition of income is the same as the concept of "Modified Adjusted Gross Income" which is discussed in IV, except that it excludes Social Security benefits that are not subject to taxation. In addition, gross income is increased by the portion of the required contribution made through a salary reduction arrangement and excluded from gross income.

- *Employer-based coverage.* An individual is treated as lacking access to affordable coverage if the cost of enrolling in employer-based insurance that meets the minimum value standard³⁹ would consume more than a designated percent of projected annual household income to be set by the federal government each year. The assessment is based on the cost of employer-sponsored coverage without regard to any wellness incentives, including smoking cessation programs.
- *HealthSource RI coverage.* If an individual or family member lacks access to affordable employer-based insurance, the affordability assessment is based on the cost of the applicable lowest cost Bronze plan available through HealthSource RI, reduced by the premium tax credit for which the applicant could qualify. For families, only the cost of covering any members who have not otherwise been granted an exemption by HealthSource RI and who lack affordable employer-based insurance is considered. If applying for this hardship exemption, individuals must submit an application through HealthSource RI.

To receive this exemption, an individual must apply prior to the last date on which he or she could enroll in a Qualified Health Plan through HealthSource RI. For most people, this will be the last day of the open enrollment period in the fall that precedes the calendar year for which they need the exemption (e.g., individuals must apply by the end of the open enrollment period in the fall of 2015 for an exemption for 2016). However, there is an exception to this rule: if an individual qualifies for a special enrollment period he or she may apply for an exemption before the last day of this period and receive an exemption for the remainder of the calendar year in which the special enrollment period occurred. Once granted, this affordability exemption remains in place for the remainder of a calendar year even if the applicant's circumstances change.

3) Exemptions Issued by either HealthSource RI or as part of Filing Federal Income Taxes

a) Members of Federally-Recognized Tribes or individuals who are eligible to receive care through the Indian Health Service or an Indian Health Care provider

Individuals are eligible for an exemption if they are a member of a federally-recognized tribe.^{40,41} These individuals can apply for the exemption at any time and the exemption remains in place until they report that they no longer are members of a federally-recognized tribe.

b) Members of a Health Care Sharing Ministry

Individuals are eligible for an exemption if they are a member of a health care sharing ministry, as defined under federal law as an organization described in section 501(c)(3) whose members share a common set of ethical or religious beliefs and have shared medical expenses in accordance with those beliefs continuously since at least December 31, 1999.⁴²

³⁹ A plan meets the minimum value standard if it is expected to cover 60 percent or more of the cost of covered benefits. See Chapter 2 for a fuller discussion. If an employer plan does not meet the minimum value standard, it is not considered when assessing whether an applicant has access to affordable coverage.

⁴⁰ 45 CFR 155.605(f); 26 CFR 1.5000A-3(g)

⁴¹ 4(d) of ISDEAA (codified at 25 U.S.C. 450 *et seq.*) and section 4 of IHCA (codified at 25 U.S.C. 1603)

⁴² 45 CFR 155.605(e); 26 CFR 1.5000A-3(d);

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c) Incarcerated Individuals

Individuals who are incarcerated are eligible for an exemption.⁴³ Incarcerated means confined, after the disposition of charges, in jail, prison, or a similar penal institution or correctional facility. Individuals may only receive this certificate of exemption after they no longer are incarcerated or, if they remain incarcerated, after the end of a calendar year.

4) Exemptions Claimed on Federal Income Tax Return

a) Individuals who Lack Affordable Coverage

Individuals are exempt from the shared responsibility payment for a month if they lacked access to affordable coverage.⁴⁴ The test for whether coverage was affordable is the same as is described in detail in Section 2c, which reviews the exemption available to individuals who lack affordable coverage based on projected annual income. The primary difference is that the affordability exemption available through the IRS is based on actual household income as reflected on an applicant's federal tax return.

In addition, when the IRS (as opposed to HealthSource RI) assesses whether a family qualifies for the affordability exemption, it will base its assessment on the cost of coverage for family members who are not otherwise exempt from the shared responsibility payment and who lack access to employer-based insurance. Under the affordability exemption described in Section 2c, only those family members with exemptions granted by HealthSource RI – not HealthSource RI and the IRS – are excluded from the assessment.

b) Individuals with Household Income Below the Applicable Tax Filing Threshold

Individuals are exempt from the shared responsibility payment if they are not obligated to file taxes because their incomes fall below the filing threshold.⁴⁵ Individuals do not need to submit an application or to take any other action to secure this exemption. The exemption is automatically available to anyone who does not file taxes because they have income below the filing threshold.

If, however, an individual files taxes despite having income below the filing threshold and claims a dependent with a filing requirement, and, as a result, has household income exceeding the applicable filing threshold, the person still is considered exempt from the shared responsibility payment.⁴⁶

c) Aggregate Cost of Coverage Exceeds Affordability Standards

When a family includes two or more working adults who are separately found eligible for self-only coverage that costs less than 8 percent of their income, it is possible that the combined cost of the self-only policies will exceed 8 percent of family income. In such situations, the IRS will grant an exemption.⁴⁷ As for the other affordability exemptions, the 8 percent figure will be adjusted over time for any growth in per capita premium costs that exceeds inflation.

⁴³ 45 CFR 155.605(e); 26 CFR 1.5000A-3(d);

⁴⁴ 45 CFR 155.605(g)(2); 26 CFR 1.5000A-3(e).

⁴⁵ 45 CFR 155.605(g)(3); 26 CFR 1.5000A-3(f)

⁴⁶ 45 CFR 155.605(g)(3). While the IRS administers this exemption, it is available because HHS has defined such situations as qualifying individuals for a hardship exemption.

⁴⁷ 26 CFR 1.5000-A(3)(e)

d) Individuals with Short Coverage Gaps

If an individual did not have MEC for less than three continuous months (a “short coverage gap”), he or she is exempt from the shared responsibility payment.⁴⁸ If the individual does not have MEC for three or more continuous months,⁴⁹ he or she must make the shared responsibility payment for all of the months he or she did not have MEC. For example, if an individual does not have MEC for four months during the year, he or she must pay the shared responsibility payment for all four months. If an individual has more than one short coverage gap, the exemption from the shared responsibility payment only applies to the first short coverage gap.⁵⁰

e) Exempt Non-citizens

Individuals who are not U.S. citizens or nationals of the United States and are either non-resident aliens for the taxable year or are not lawfully present in the United States are exempt from shared responsibility payments because they lack access to coverage options.⁵¹

5) Exemption Request Process

a) Overview

For the 2015 coverage year and subsequent coverage years, HealthSource RI will process categories of exemption requests as described, and the IRS will process the remaining exemption requests. For some exemptions, such as religious conscience or most hardship exemptions, the only way to secure the exemption is by requesting one through HealthSource RI. In other instances, only the IRS can grant the exemption. As discussed above, however, individuals often can choose whether they want to seek an exemption through HealthSource RI or claim it when they file taxes. The remainder of this section describes the process for submitting exemption applications to HealthSource RI.

b) HealthSource RI Exemption Request Process

In order to obtain a certificate of exemption from HealthSource RI, individuals need to submit an exemption application.⁵² Customers who have created an online account with HealthSource RI will be able to request an exemption once they have completed an application by calling HealthSource RI and providing some basic information, or, alternatively, by submitting a paper application. Instructions on how to complete and submit the application are included with the application form. If an individual submits an application for coverage and then subsequently requests an exemption, HealthSource RI must use the information available on the application so long as it is still applicable and not request duplicate information from the individual or conduct repeat verifications.

⁴⁸ 26 CFR 1.5000-A(3)(j)

⁴⁹ The number of continuous months is determined without regard to the calendar year. Three continuous months could include November through January.

⁵⁰ See <http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision>

⁵¹ 26 CFR 1.5000-A(3)(c)

⁵² 45 CFR 155.610(a)

i) Social Security Number

As part of the exemption request, exemption applicants who have a Social Security Number must provide it to HealthSource RI.⁵³ Individuals who have previously created a HealthSource RI user account and have already provided us with a Social Security Number do not need to include their Social Security Number on the paper exemption application. Individuals who are not seeking an exemption for themselves cannot be required to provide a Social Security number unless the non-applicant is a tax filer who attests that he or she has a Social Security number and filed a tax return.

ii) Determination Process

HealthSource RI must determine eligibility for an exemption promptly and without undue delay.⁵⁴ If an individual submits a regular application for health coverage and then requests an exemption, HealthSource RI must use the information collected for purposes of the eligibility determination to the extent it is still applicable. Once an exemption determination is made, a Certificate, in the form of a notice, will be sent to the individual with an Exemption Certificate Number. This notice will include information about how to file an appeal if the applicant so chooses. HealthSource RI will also transmit the following information to the IRS: the individual's name, Social Security number, exemption certificate number, and any other required information.⁵⁵ The notice will instruct the individual to keep the notice containing the certificate of exemption number and qualification for the underlying exemption.⁵⁶ The Exemption Certificate Number will need to be submitted by the individual to the IRS on the Federal Income Tax Return.

c) Verification of Information

HealthSource RI must verify applicant provided information to determine whether the applicant is eligible for a certificate of exemption.⁵⁷ The individual reporting requirements to prove eligibility for a particular exemption are listed below:

i) Exemption based on membership in a Recognized Religious Sect or Division:⁵⁸ The applicant must provide documentation of membership in a religious sect that objects to having health insurance, and must attest that he or she subscribe to the sect's tenants. The religious sect attested to by the individual must be among those among those religious groups recognized by the IRS.

ii) Exemption based on membership in a Health Care Sharing Ministry:⁵⁹ To constitute a health care sharing ministry an entity has to meet the following guidelines:

- Must be a 501(c)(3) organization;
- Members must share common ethical or religious beliefs;
- Must not discriminate membership based on state of residence or employment;
- Members cannot lose membership due to development of a medical condition;
- Must have existed and been in practice continually since December 31, 1999; and

⁵³ 45 CFR 155.610(e)

⁵⁴ 45 CFR 155.610(g)

⁵⁵ 45 CFR 155.630

⁵⁶ 45 CFR 155.605(j)

⁵⁷ 45 CFR 155.615

⁵⁸ 45 CFR 155.605(c)

⁵⁹ 45 CFR 155.605(d)

- Must be subject to an annual audit by an independent CPA, which must be publicly available upon request.

iii) Exemption based upon being incarcerated:⁶⁰ Individuals applying for this exemption must provide documents showing the name and address of the facility where incarcerated, and the time periods of incarceration.

iv) Exemption based upon membership in a federally recognized tribe or otherwise being eligible for services through an Indian Health Services provider:⁶¹ Individuals must provide documents showing tribal membership or eligibility for services from the Indian Health Service, a tribal health care provider, or an urban Indian health care provider. Individuals claiming to be members of an Indian tribe or shareholder in an Alaska Native corporation must provide:

- Enrollment or membership document from a federally-recognized tribe or the Bureau of Indian Affairs (BIA). Documentation must be on tribal letterhead or an enrollment/membership card that contains the tribal seal and/or an official signature, or a Certificate of Degree of Indian Blood (CDIB) issued by the BIA or a tribe, if the CDIB includes tribal enrollment information.
- Documents issued by an Alaska Native village/tribe, or an Alaska Native Corporation Settlement Act (ANCSA) regional or village corporation acknowledging descent, or affiliation, or shareholder status, or participation in village or Alaska Native community affairs. The document can also include a CDIB issued by the BIA or tribe, if the CDIB includes ANCSA shareholder status or information regarding membership in an Alaska Native village.

If the individual claims to be eligible for services through an Indian health care provider, the individual must provide:

- If a California Indian, a document from the Bureau of Indian Affairs (BIA) or an Indian tribe, showing a person who is listed on the plans for distribution of the assets of Rancherias and reservations located within the state of California under the Act of August 18, 1958, and any descendant of such an Indian; or document showing trust interests in public domain, national forest, or reservation allotments in California; or document showing a person is a descendant of an Indian who was residing in California on June 1, 1852, if such descendant is a member of the Indian community served by a local program of the Indian Health Service; and is regarded as an Indian by the community in which such descendant lives.
 - Letter on facility letterhead with official signature from the Indian Health Service, tribal or urban Indian health care provider verifying eligibility for services.
 - Tribal document acknowledging membership, descent, participation in tribal community affairs, residence on tax exempt land, or that it regards the person as Indian. The document must be on tribal letterhead, and have a tribal seal or official signature.
 - United States Bureau of Indian Affairs (BIA) Form 4432 signed by BIA or tribal official.
 - Certificate of Degree of Indian Blood (CDIB), signed by BIA or tribal official.
- Or, submit the following:

⁶⁰ 45 CFR 155.605(e)

⁶¹ 45 CFR 155.605(f)

- Birth certificate AND a document from the list above for a parent or grandparent. If the document is from a grandparent, the individual must also provide a birth certificate linking the parent to the grandparent.
- Birth certificate or adoption papers AND a document from the list above for an eligible Indian parent or guardian.
- Marriage certificate, if non-Indian spouses are made eligible for services through an Indian health care provider, as a class, by an appropriate resolution of the governing body of the Indian tribe or tribal organization, AND a document from the list above for your eligible Indian spouse.
- If eligible for services through an Indian health care provider only because individual is pregnant with the child of a member of an Indian tribe or a shareholder of an Alaska Native corporation, a document from the list above for the member or shareholder.
- If an urban Indian, a document showing residency in an urban Indian center, such as a rent statement, mortgage, utility bill, or voter registration card, AND an enrollment or membership card/ID or document establishing that the individual:
 - Is a member of a tribe, band, or other organized group of Indians, including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the state in which they reside, or who is a descendant, in the first or second degree, of any such member;
 - Is an Eskimo or Aleut or other Alaska Native;
 - Is considered by the Secretary of the Interior to be an Indian for any purpose; or,
 - Has been determined to be an Indian under regulations promulgated by the Secretary.

v) Exemption based on insurance available being unaffordable:⁶² The individual must complete an application for health coverage through HSRI.

vi) Exemption based on a hardship:⁶³ If an individual has any of the circumstances from section 2(b) that affect their ability to purchase health insurance coverage, he or she may qualify for a “hardship” exemption. An applicant must submit the required documentation listed below in order to qualify for an exemption

Table 3. Hardship Reasons & Corresponding Documentation Required As Proof

Hardship Reason	Documentation Required
Individual was homeless.	None.
Individual was evicted in the past 6 months or	Copy of eviction or foreclosure notice
Individual received a shut-off notice from a utility company.	Copy of shut-off notice from a utility company or proof of more than 6 months behind on payments if utility is can't shut off (for reasons of medical necessity or hardship).
Individual recently experienced domestic violence.	None.

⁶² 45 CFR 155.605(g)(2)

⁶³ 45 CFR 155.605(g)(1)

Individual recently experienced the death of a close family member.	Copy of death certificate, copy of death notice from newspaper, or copy of other official notice of death.
Individual experienced a fire, flood, or other natural human-caused disaster that caused substantial damage to your property.	Copy of police or fire report, insurance claim, or other document from government agency, private entity, or news source documenting event.
Individual filed for bankruptcy in the last 6 months.	Copy of bankruptcy filing.
Individual had medical expenses in the last 24 months that he or she was unable to pay.	Copies of medical bills.
Individual experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member.	Copies of receipts related to care.
Individual expects to claim a child as a tax dependent who's been denied coverage in Medicaid and the Children's Health Insurance Program(CHIP), and another person is required by court order to give medical support to the child.	Copy of medical support order AND copies of eligibility notices for Medicaid and CHIP showing that the child has been denied coverage.
As a result of an eligibility appeals decision, individual is eligible either for: 1) enrollment in a qualified health plan (QHP) through the Marketplace, 2) lower costs on his or her monthly premiums, or 3) cost-sharing reductions for a time period when individual wasn't enrolled in a QHP through the Marketplace.	Copy of notice of appeals decision.
Individual received a notice saying that his or her current health insurance plan is being cancelled, and the individual considers the other plans available unaffordable.	Copy of notice of cancellation.

If an individual is seeking an exemption, but his or her information cannot be verified, HealthSource RI must make a reasonable effort to identify and address the causes of the inconsistency. If the inconsistency is unable to be resolved, the applicant must be notified that he or she has 90 days from the date of the notice to provide documentation to resolve the inconsistency. HealthSource RI may provide additional time to submit documentation if the individual demonstrates a good faith effort to obtain information during the 90-day period.

If the applicant's information is not verified after the 90-day period, HealthSource RI must determine the applicant's eligibility for an exemption based on available information, unless the individual meets a special circumstance. This verification process shall conform to the rules outlined in Chapter 7.

Upon submission of an application for any of the types of exemptions described in this Chapter, HealthSource RI will promptly review the application, and, if sufficient information is available, will either grant or deny the request, and provide a notice of confirmation to the applicant. The time it will take to review an exemption application and make a determination will depend upon multiple factors, including the type of exemption requested, and the information available.