

How Much Could Tax Preparation Services Help with ACA Enrollment?

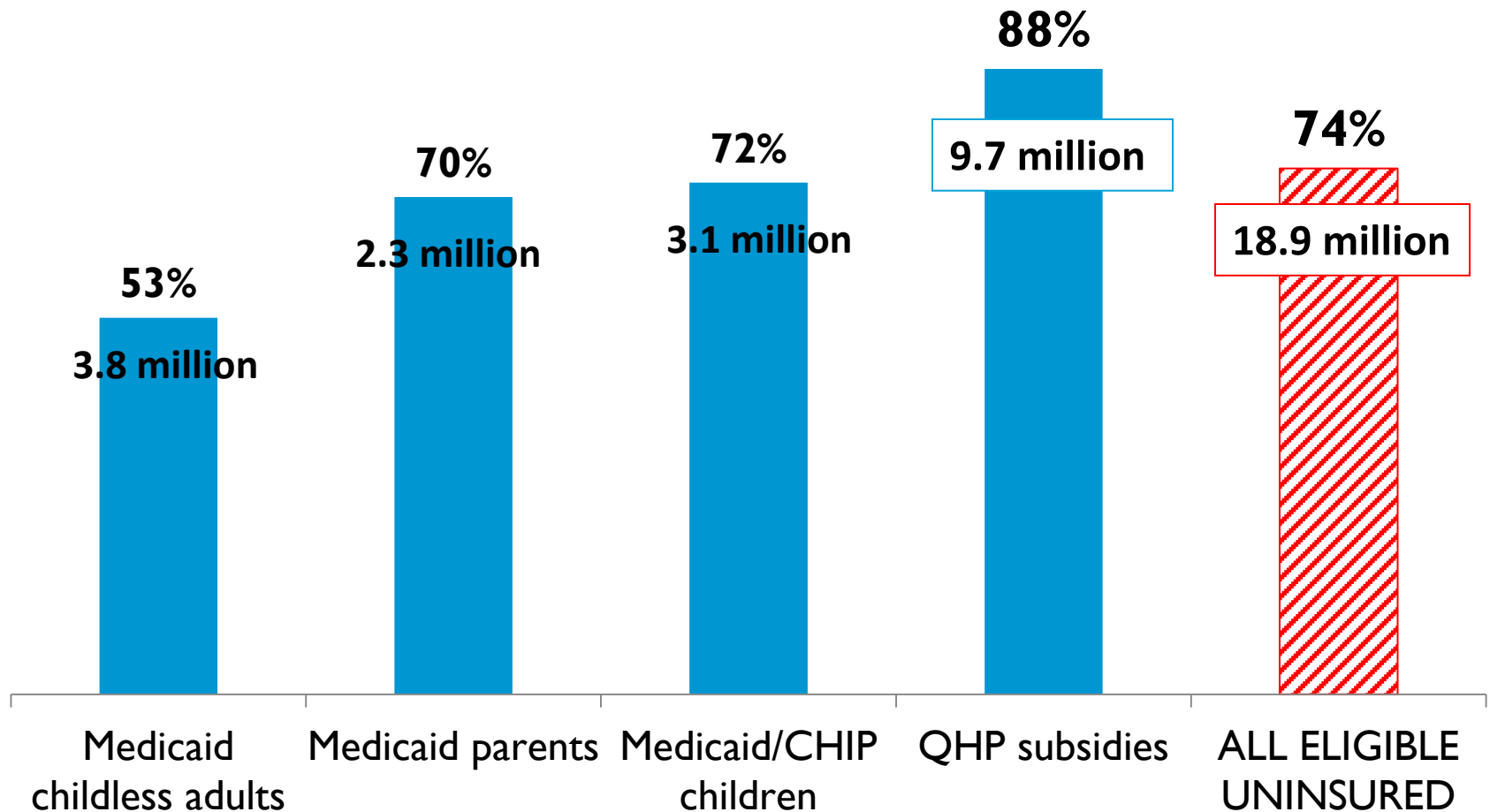
“Tax Filing and the Affordable Care Act”
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Overview

- Potential contribution to Insurance Affordability Program (IAP) enrollment
- 2015 special enrollment period
- Longer term prospects

Federal income tax filers, among the pre-ACA uninsured who qualify for IAPs

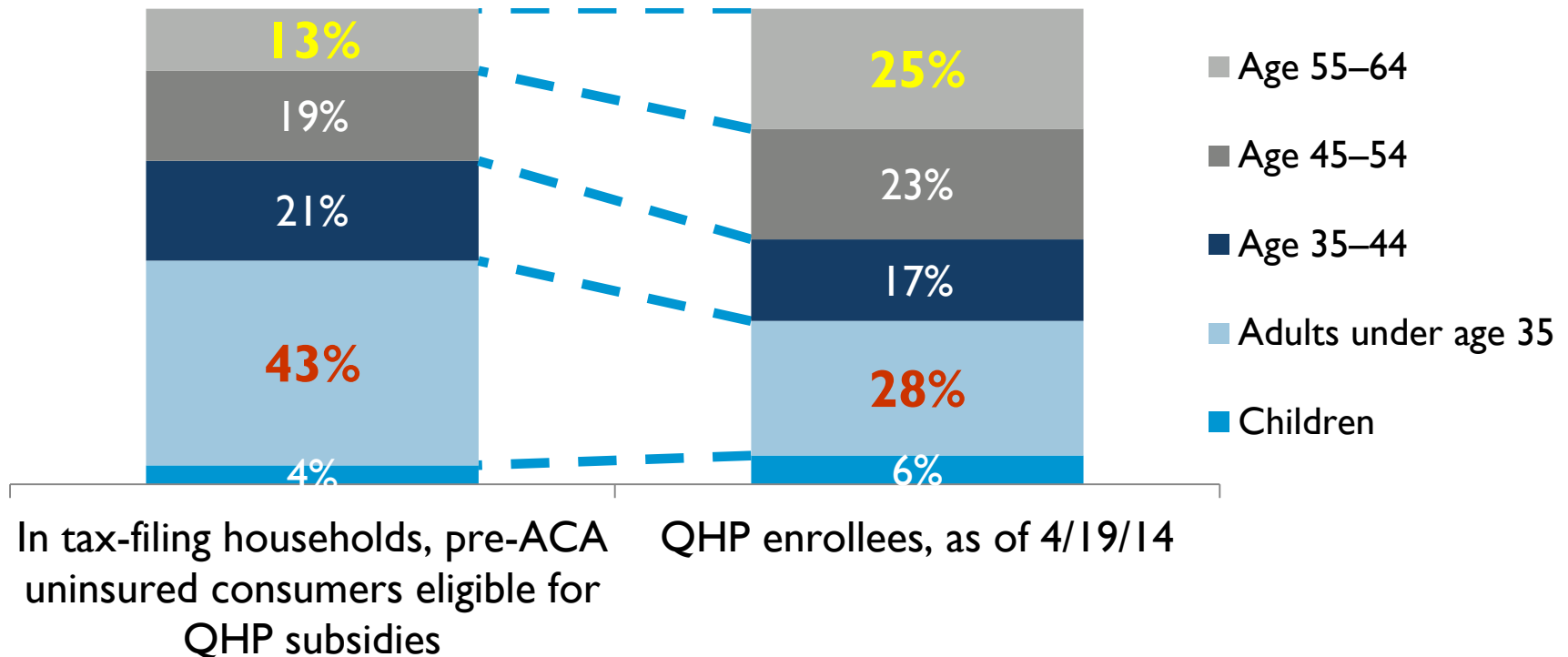


Source: Dorn, Buettgens, Dev, 2014 (HIPSM-ACS).

Notes: Estimates understate the prevalence of federal income tax filing as compared to administrative data.

Uninsured, QHP-eligible tax filers are good risks

Age Distribution: Pre-ACA Uninsured Consumers in Tax-Filing Households Who Qualify for QHP Subsidies vs. QHP Enrollees after 2014 Open Enrollment



Source: HHS, 2014; HIPSM-ACS, 2014.

Notes: "Children" are ages 0-18 in the left bar and under 18 in the right bar.

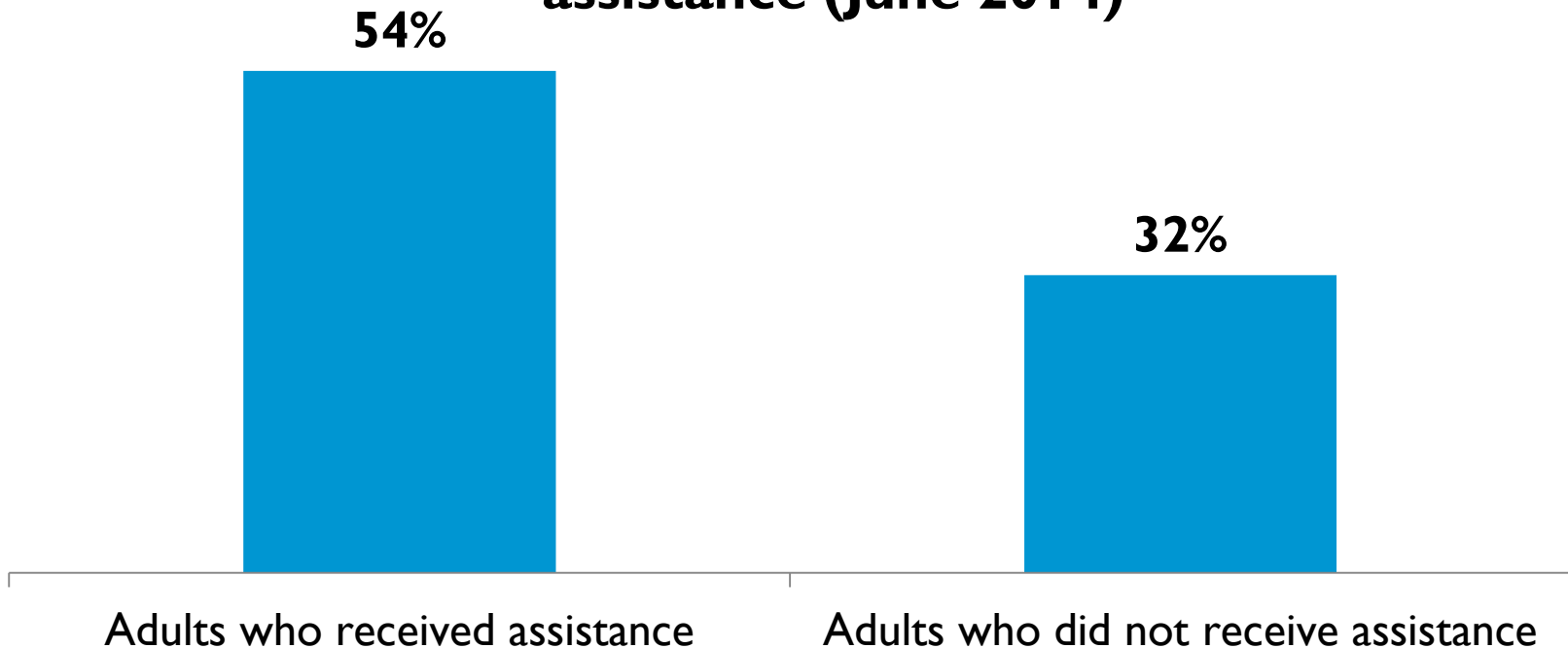
Tax Preparation Method, by Adjusted Gross Income, 2008

AGI	Total returns (millions)	Tax preparation method				
		No identified preparer	Paid preparer	IRS-prepared return	Volunteer income tax assistance	Tax counseling for the elderly
Under \$30,000	67.9	40.9%	55.8%	0.3%	1.5%	1.6%
\$30,001-\$50,000	25.4	41.7%	56.7%	0.1%	0.8%	0.8%
\$50,001-\$100,000	31.0	40.0%	59.1%	0.0%	0.3%	0.5%
>\$100K	18.3	35.4%	64.4%	0.0%	0.1%	0.1%
Total:	142.6	40.1%	57.8%	0.1%	0.9%	1.0%

Source: Dorn, Buettgens, Dev, 2014. Urban Institute Tax Policy Center analysis of IRS 2008 Statistics of Income.

Application assistance is associated with a much higher likelihood of enrollment

Enrollment into coverage by uninsured adults visiting a Marketplace, by receipt of application assistance (June 2014)



Source: Health Reform Monitoring Survey, Q2, 2014.

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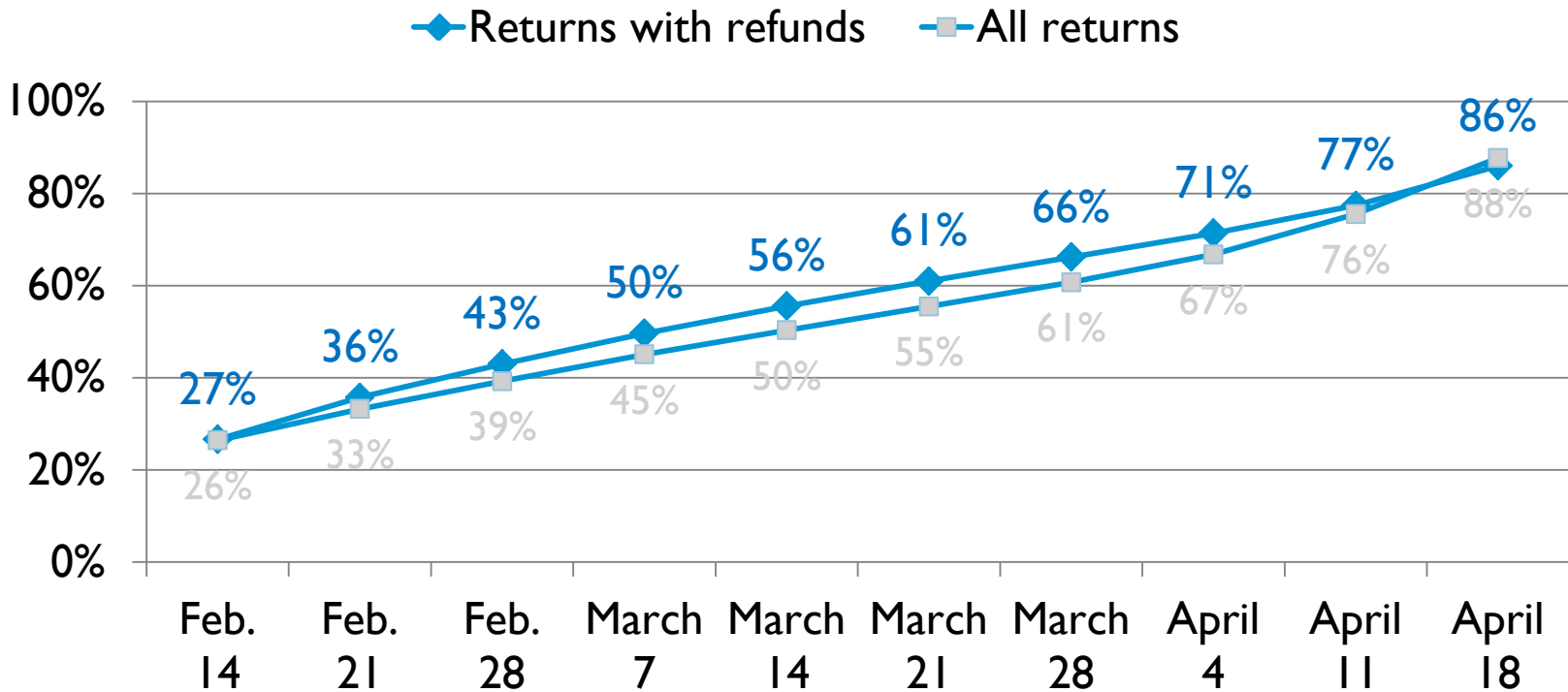
Challenges

- Tax preparation services often not trained to enroll clients into health coverage
 - Brokers can partner – but how many Navigators are left?
- Ethics and competence
- Referrals' limitations
- Time frame



Taxpayers claiming refunds often file early

Percentage of Federal Income Tax Returns Filed by Various Dates, 2013-14



Source: Internal Revenue Service, 2013 and 2014 Filing Season Statistics.

Note: The displayed percentages represent averages of data from 2013 and 2014, including 2014 tax filing data through May 16. The numbers displayed assume that the same percentage of all returns filed in 2014 will be filed by May 16, 2014, as were filed in 2013 by May 17, 2013.

Options

- SBMs need not wait for 3/15
- FFM: accept applications before 3/15
- Educate tax professionals
- More application assistance
- Marketplaces work with tax prep services
 - Linkages to certified assisters/brokers
 - Explore other steps
- Encourage public to use tax preparation services that commit to standards
 - IRS credential
 - Certified application assister
 - Other standards (no charge for IAP application, apply for all IAPs, etc.)



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What would it take?

Motive

Means

Opportunity



Potential problems

- **Motive**
 - Major change in role
 - Business case
- **Means**
 - Time to develop enrollment relationships
- **Opportunity**
 - Future open enrollment periods



Conclusion

- Tax preparation services have the potential to make a major contribution to ACA enrollment
- Significant change required
- In question: extent and speed of transition

