

**MCHA's 2010 Low Income Subsidy Program**  
**Updated: August 16, 2010**

**The application deadline for MCHA's 2010 Low Income Subsidy Program was June 11, 2010. No applications will be accepted after this date.**

**If you applied for the subsidy, we expect to mail subsidy checks and notification of denial letters on Monday, August 16, 2010.**

**Questions and Answers regarding MCHA's 2010 Low Income Subsidy Program**

**1) Can I still submit an application?**

No, the deadline to postmark your application was June 11, 2010. No applications postmarked after June 11 were accepted.

If you applied for the subsidy, subsidy checks and notification of denial letters were mailed on Monday, August 16, 2010.

**2) Where did MCHA get the money for the Low Income Subsidy Program?**

MCHA applied for and received a federal grant to distribute funds to low-income MCHA members. MCHA recognizes premium rates are high, and some of our MCHA members have difficulty paying premiums. MCHA also recognizes the importance of maintaining one's health insurance coverage. It is MCHA's hope that the refunds will be used to ease the burden of health care costs. Please note however, that the grant funds are limited, and the funds will be divided equally among the MCHA members who applied for and qualified for the Subsidy Program. *(FYI - The amount of the subsidy grant funds being distributed equals \$1,674,622.)*

**3) Will MCHA do this again in the future?**

We do not know. MCHA received a federal grant to fund the subsidy program. A future grant is dependent on whether the Federal Government continues to give grants to high-risk pools for consumer-based programs such as this. If MCHA does offer a subsidy program in the future, all MCHA enrollees will be notified.

**4) Did everyone who applied for the subsidy get one?**

No. You needed to meet the eligibility qualifications in order to receive the subsidy. Not all members who submitted applications were eligible for the program. If you were determined eligible, you will receive a check.

The grant funds were limited, and were divided equally among the total number of MCHA members that applied and qualified for the subsidy. Based on the total number of members qualified, each MCHA policy holder will receive a check for **\$610.28** per eligible MCHA member on the policy.

## 5) How was the determination made as to who will get a subsidy check?

The Subsidy Program had several eligibility criteria:

1. All eligible members must have been enrolled in MCHA as of March 1, 2010. Individuals with an MCHA effective date of coverage after March 1, 2010 were not eligible for the 2010 Low Income Subsidy Program.
2. Only MCHA members who fully pay their own premiums were eligible for the subsidy program.
3. Submitting an application did **not** guarantee that the applicant would receive a subsidy check. Applications are approved based on household size and total 2009 total household income. Applicants must have submitted income documentation to be approved for the subsidy. The following information describes how MCHA determined eligibility:
  - Your 2009 household income (taxable and non-taxable income) was determined. Household income is calculated differently than Federal Income Tax income or adjusted gross income.
  - All income for all individuals that lived in your home during 2009 was added together to determine household income.
    - Note that if the MCHA policyholder was a dependent child of a parent or guardian, the parents' or guardians' household income – in addition to policyholder's income – was used to determine eligibility.
  - Individual's who had a 2009 income *at or below* the eligible household income for the number of people in your household (refer to the chart below), qualified for the subsidy.
  - The applicant also needed to sign the application, as instructed in the application instructions and on the application.

Household Size	2009 Household Income was at or below:
1	\$23,826
2	\$32,054
3	\$40,282
4	\$48,510
5	\$56,738

Household Size	2009 Household Income was at or below:
6	\$64,966
7	\$73,194
8	\$81,422
9	\$89,650
10	\$97,878

## 6) Why does MCHA use household income to determine who gets a subsidy?

MCHA uses household income, as opposed to member only income, in order to identify the neediest MCHA members. Because all household members contribute to the financial resources of the household, this method of calculating income helps MCHA identify the neediest members. MCHA considers members who lack financial support from other household members to be in greater need than those members who have the benefit of pooling household financial resources.

### **7) How much money will I receive for the subsidy?**

The grant funds were limited and were equally divided by the total number of MCHA members that qualified for the subsidy. Subsidy amount check totals depend on the number of eligible MCHA members in the household. Each eligible member will receive **\$610.28**, and each policy holder will receive a check for the total amount received by all eligible members on the policyholder's MCHA policy.

### **8) If I am eligible for the Subsidy Program, does that mean I don't have to pay my premium?**

You need to continue paying your premiums as usual. If you are eligible for the subsidy program you will receive a subsidy check in the mail. Checks can be used for any purpose. You do not need to use the money to pay future MCHA premiums.

### **9) When will subsidy checks be mailed?**

All subsidy checks will be mailed to eligible MCHA members on or about Monday, August 16, 2010. In addition, ineligible members will be sent a letter notifying them of the reason why they did not qualify for the program.

### **10) Will I be notified if I don't get a subsidy check?**

Yes, all members who submitted an application and who did not qualify to receive the subsidy will receive a letter notifying them of the reason why they did not qualify. Letters will be mailed on or about Monday, August 16, 2010.

### **11) Why didn't I get a subsidy check?**

Possible reasons for not receiving a subsidy check include:

- Income reported on the application was over the income limit
- Applicant did not submit the required 2009 income documentation (tax forms, etc.)
- The application was postmarked after June 11, 2010
- The application was not signed
- The application was not filled out completely and MCHA was unable to determine the applicant's household size and/or household income
- Applicant indicated that he/she does not pay his/her own MCHA premiums

MCHA did not contact applicants to request additional information if the information provided on the application or the income documentation provided with the application was incomplete. Applications were reviewed based *only* on the information received from the applicant when the application form was submitted to MCHA.

**12) How long do I have to cash my subsidy check?**

You have **30 days** to cash the subsidy check. Please refer to the date printed on your check. Checks not cashed within this timeframe will not be reissued.

**13) What can I use the subsidy money for?**

Subsidy money can be used for whatever purpose you choose. It does not have to be used to pay future MCHA premiums.

**14) Can the information/documentation I sent in with my subsidy program be returned to me?**

MCHA is unable to return documentation that was sent with subsidy program applications. This information was contained in the application instructions.

**15) Will the information I submit with the application be confidential?**

Application and income documentation will be kept confidential. The information submitted will not be used for any purpose other than determining whether the applicant was eligible for the 2010 Subsidy Program. After a period of time all information will be destroyed.

**16) How many people received the subsidy?**

**2,399** policyholders (**2,744** members). *(FYI - The amount of the grant funds being distributed equals \$1,674,622 or \$610.28 per eligible member.)*

**17) Can I file an appeal because I did not get a subsidy check?**

MCHA's decisions regarding who receives subsidy checks are final.