

Selling Affordable Care Act Insurance Plans

A Guide for Licensed Agents Expanding Into New Markets

Table of Contents

Introduction	2
What Is the ACA?	3
Who Qualifies?	5
When Can They Get It?	6
5 Reasons to Sell ACA Insurance Plans	7
Finding the Right Plan for Each Person	9
ACA Selling Strategies	13
Steps to Get Started	16
Conclusion	17
Appendix A	18



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Introduction

Established in 2010, the Affordable Care Act represents a transformative approach to healthcare in the United States, designed to extend health insurance coverage to millions while making care more affordable. Through its introduction of mandates, subsidies, and insurance exchanges, the ACA has opened up many opportunities for individuals to access health insurance, particularly benefiting those previously uninsured or with pre-existing conditions.

More than 21 million Americans have gained insurance coverage under the ACA, so the demand for those knowledgeable and skilled enough to navigate the marketplace is higher than ever. Licensed agents have the chance to make a real difference by helping people understand and access the benefits available to them. It's an opportunity to grow professionally while contributing positively to the health and well-being of countless Americans.

“Historic 21.3 million people choose ACA in 2024...”

- CMS.gov

The Affordable Care Act (ACA), sometimes called Obamacare, significantly reformed U.S. healthcare when it was signed into federal law in 2010. It expanded Medicaid and introduced measures to make health coverage more accessible and affordable. The ACA prevents insurers from denying coverage for pre-existing conditions and setting higher rates based on health status. It promotes preventive care, making regular health screenings more accessible.

10 Key Provisions:

- **Individual Mandate:** Most Americans were required to have health insurance or pay a penalty, effective Jan. 1, 2014, but new legislation later reduced this penalty to zero.
- **Health Insurance Exchanges:** Health insurance exchanges were established to provide coverage options, with subsidies available based on income.
- **Pre-existing Conditions:** From Sept. 23, 2010, insurers were prohibited from denying coverage to children under 19 based on pre-existing conditions.
- **Preventive Care:** All new insurance plans must cover preventive care and medical screenings without charging co-payments, co-insurance, or deductibles.
- **Coverage for Young Adults:** Dependents can remain on their parent's insurance plan until their 26th birthday.
- **Generic Biologic Drugs:** The ACA authorized the FDA to approve generic versions of biologic drugs and granted biologics manufacturers 12 years of exclusive use before generics can be developed.
- **Caloric Content Display:** Chain restaurants and food vendors with 20 or more locations are required to display the caloric content of their foods on menus and vending machines.

What is ACA?

- **Medicaid Expansion:** The ACA expanded Medicaid to cover more low-income individuals.
- **Medicaid Drug Rebate:** The Medicaid drug rebate for brand-name drugs was increased to 23.1%, and the rebate was extended to Medicaid-managed care plans.
- **Preventive and Public Health Fund:** A fund was created to support programs and research to prevent chronic diseases.

“The ACA significantly reformed U.S. healthcare..”

10 Essential Benefits

ACA plans, available through the Health Insurance Marketplace, are required to cover the following ten essential health benefits:

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Pregnancy, maternity, and newborn care
5. Mental health and substance use disorder services
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services

In addition to these core benefits, Marketplace plans must also include coverage for:

- Birth control
- Breastfeeding

While these are the minimum requirements, the specific services covered under each category can vary by state, and many plans offer additional benefits, like:

- Dental coverage
- Vision coverage
- Medical management programs for specific needs (i.e., weight management, diabetes)

For someone to be eligible for enrollment through the Marketplace, they must:

- Live in the U.S.
- Be a U.S. citizen or national, or be a lawfully present non-citizen in the U.S.
- Not be incarcerated.
- Not currently have Medicare coverage.

“Medicare beneficiaries are not eligible to enroll in a Marketplace health or dental plan.”

– [HealthCare.gov](https://www.healthcare.gov)

Who Qualifies?

What Is the Marketplace?

The Health Insurance Marketplace, operated by the federal government, helps individuals, families, and small businesses by:

- Allowing them to compare and choose health insurance plans based on coverage options and cost.
- Providing a platform to enroll in or switch health insurance plans.
- Offering information on tax credits for private insurance and public health programs like Medicaid or the Children’s Health Insurance Program (CHIP).

Access the Marketplace online at [HealthCare.gov](https://www.healthcare.gov).

For phone assistance, the Marketplace can be reached 24/7 at 1-800-318-2596 (TTY: 1-855-889-4325).

The following states and Washington, D.C. operate their own Marketplaces:

California, Colorado, Connecticut, Idaho, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, Vermont, and Washington.

To find the Marketplace specific to your state, go to [healthcare.gov/marketplace-in-your-state/](https://www.healthcare.gov/marketplace-in-your-state/).

When Can They Get It?

Consumers can sign up for an ACA health plan during the Open Enrollment period from Nov. 1 to Jan. 15. Here are some important dates:

- **Nov. 1:** Open Enrollment starts. This is when they can sign up, renew, or change their health plan for the following year.
- **Dec. 15:** This is the deadline to enroll or change plans if they want their coverage to start on Jan. 1.
- **Jan. 1:** Coverage begins for those who signed up or changed plans by Dec. 15.
- **Jan. 15:** Open Enrollment ends. After this, they can only sign up or change plans for a special reason, like getting married or losing other health coverage.

Depending on their income and where they live, they could be eligible for free or low-cost coverage through Medicaid or CHIP anytime. If the individual has specific life changes or a low income, they might also qualify to enroll at other times of the year with a Special Enrollment Period.

OEP periods are different in state-based Marketplace Exchanges in California, Colorado, Connecticut, Idaho, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, Vermont, the District of Columbia, and Washington.

“ACA Open Enrollment is Nov. 1 – Jan. 15.”

ACA SEP

Special Enrollment Periods (SEPs) are triggered by specific events. Here are the main categories:

1. **Changes in Household** (i.e., marriage, childbirth, divorce, death in the family)
2. **Changes in Residence** (i.e., moving to a different ZIP/county, moving to the U.S.)
 - Note: Other moves may qualify, but moving solely for medical treatment or vacation does not qualify someone for an SEP.
3. **Loss of Health Coverage**
(i.e., job-based, individual, Medicaid/CHIP/Medicare Part A)
4. **Other qualifying changes like...**
 - Changes in income that affect coverage eligibility.
 - Becoming a U.S. citizen.
 - Leaving incarceration.

There is also a yearlong SEP that extends until the end of 2025. This SEP is available for consumers with incomes below 150% of the FPL.

Documentation and Verification: When applying for an SEP, individuals must provide documents that confirm the life events that qualify them for the period. This documentation is essential for verifying the circumstances that allow for the SEP.

Enrollment Process: Licensed agents should guide individuals through the application process, which includes attesting to the truth of the information provided, especially the facts that qualify them for an SEP. In some cases, like with certain employer arrangements or loss of coverage, they may need to contact the Marketplace Call Center to complete enrollment, as online enrollment might not be available.

Appeals and Special Circumstances: If an individual is denied a SEP but believes they qualify, they can appeal the decision. There are also limited circumstances where someone might qualify for a SEP due to events outside their control, such as a natural disaster.

“Agents should guide individuals through the application process.”

1. Expand your business with a new demographic.

You'll be able to begin outreach to the diverse under-65 demographic. This includes minorities and low-income Americans who are increasingly seeking affordable healthcare options. By engaging with the ACA Marketplace, sales agents can tap into a large and underrepresented segment, providing services to those who may not have had access to health insurance previously.

“Tap into a large and underrepresented segment.”

2. Capitalize on the historically high demand.

The demand for ACA plans is at an all-time high, with 21.3 million people choosing ACA Marketplace coverage in 2024. This represents a significant increase from previous years, indicating a growing trust and reliance on the Marketplace to deliver affordable healthcare solutions. This surge in enrollment underscores the potential for sales agents to have increased interactions and transactions, making it an ideal time to start offering ACA plans.

“The demand for ACA plans is at an all-time high.”

5 Reasons to Sell ACA Insurance Plans

3. Benefit from more customer savings and affordable plans

Thanks to legislative measures like the American Rescue Plan Act of 2021 and the Inflation Reduction Act, more people than ever qualify for help paying for health coverage, including those who weren't eligible in the past. These acts have introduced more savings and made plans more affordable, with four in five HealthCare.gov customers finding coverage for \$10 or less per month after subsidies in 2024. For licensed agents, this means the ability to offer more competitive, cost-effective plans to customers, enhancing the appeal of ACA plans and potentially increasing customer satisfaction and retention.

“Offer more competitive, cost-effective plans.”

4. Enjoy a streamlined certification process.

The ACA Marketplace simplifies the entry process for new and returning sales agents through a single, no-cost certification. Plan year 2024 registration and training for sales agents and brokers is now available through the CMS Marketplace Learning Management System (MLMS), with options for new and returning participants. This streamlined approach allows sales agents to meet regulatory requirements and begin offering ACA plans efficiently.

“The ACA Marketplace simplifies the entry process.”

5. Boost your income.

Selling ACA insurance plans can increase a licensed agent's income. Commissions are not federally established. Insurance companies decide their commission rates but must follow individual state rules. Commissions vary by the type of plan—like HMO, PPO, or EPO—and are paid based on the plan's structure. Agents earn commissions monthly, calculated per member per month (PMPM) or contract per month (PCPM). Licensed agents enrolling a family can earn a monthly commission for each family member with a PMPM plan. With a PCPM plan, they would get one flat rate no matter how many people are on the plan. When a customer first signs up, the agent gets an initial commission. Each year, the customer stays on, and they'll get a renewal commission.

“Commissions vary by the type of plan ... and are paid based on the plan's structure.”

Where Do They Fall on the FPL?

The federal poverty level (FPL) is adjusted yearly to account for inflation and changes in the cost of living. It varies depending on the size of the family and the state in which they live, as some states, like Alaska and Hawaii, have higher poverty levels due to higher living costs.

FPL numbers determine an individual’s eligibility for savings on Marketplace health insurance. The following 2024 FPL income numbers are used to calculate eligibility for Medicaid and CHIP. The 2023 numbers are used to calculate savings on Marketplace insurance plans for 2024.

Finding the Right Plan for Each Person

Federal Poverty Level (FPL)

FAMILY SIZE	2023 INCOME NUMBERS	2024 INCOME NUMBERS
For individuals	\$14,580	\$15,060
For a family of 2	\$19,720	\$20,440
For a family of 3	\$24,860	\$25,820
For a family of 4	\$30,000	\$31,200
For a family of 5	\$35,140	\$36,580
For a family of 6	\$40,280	\$41,960
For a family of 7	\$45,420	\$47,340
For a family of 8	\$50,560	\$52,720
For a family of 9+	Add \$5,140 for each extra person	Add \$5,380 for each extra person

SOURCE: [HealthCare.gov](https://www.healthcare.gov)

“FPL numbers are used to determine an individual’s eligibility savings...”

Do They Qualify for an ACA Subsidy?

ACA subsidies are financial aids designed to help customers afford health insurance purchased through the Marketplace. They're available to individuals and families whose income falls within 100% and 400% of the FPL and who do not have access to affordable health insurance through other means (like an employer or government program). In 2024, 92% of the people enrolled in private ACA plans received subsidies.

Here's how ACA subsidies can benefit consumers:

- 1. Premium Subsidies:** These are the most common type of ACA subsidy. They lower the monthly cost of premiums for plans purchased through the Marketplace. The subsidy amount is based on the customer's income relative to FPL and the cost of the benchmark plan (the second-lowest-cost Silver plan available in their area). This ensures that health insurance remains affordable regardless of income fluctuations or rising plan costs.
- 2. Cost-Sharing Reductions (CSR):** Available only with Silver plans that qualify for subsidy, CSRs reduce the out-of-pocket costs such as deductibles, copayments, and coinsurance. Customers eligible for CSRs will pay less when they receive medical care, making health coverage affordable and usable. To qualify for CSR, the individual's income must be within 100% and 250% of FPL.

Both types of subsidies are designed to make health insurance more accessible and affordable, ensuring that more people can receive medical care when needed without financial strain.

"In 2024, 92% of the people enrolled in private ACA plans received subsidies."

Which Health Plan Category Is Best for Them?

ACA insurance plans are presented in four categories: Bronze, Silver, Gold, and Platinum.

PLAN CATEGORY	MONTHLY PREMIUM	COST FOR CARE	DEDUCTIBLE	COST-SHARING	GOOD CHOICE IF
Bronze	Lowest	Highest	Highest (thousands of dollars annually)	Customer pays 40%, insurance pays 60%	They want a low-cost way to protect against severe illnesses or injuries; they'll pay most routine care costs.
Silver	Moderate	Moderate	Lower than Bronze	Customer pays 30%, insurance pays 70%	They qualify for extra savings or want more routine care covered without a high premium.
Gold	High	Low	Low	Customer pays 20%, insurance pays 80%	They prefer paying more monthly to cover more costs when needing medical treatment.
Platinum	Highest	Lowest	Very Low	Customer pays 10%, insurance pays 90%	They frequently need care and are willing to pay a high premium for extensive coverage.

This table summarizes the key aspects of each plan category, helping sales agents to decide which might be the best fit for the individual they're working with based on their healthcare needs and financial situation.

Helping Them Understand Effective Dates

After enrollment, coverage will rarely take effect immediately. Here are some general rules surrounding ACA insurance effective dates:

- **Open Enrollment Period Effective Dates:**
 - **Enrollments by Dec. 15:** Coverage starts Jan. 1.
 - **Enrollments from Dec. 16 to Jan. 15:** Coverage starts Feb. 1.
 - **Late enrollment in some state-run exchanges:** Coverage may start March 1 if enrollment is completed by Jan. 31.
- **SEP Effective Dates:**
 - **General rule (post-2022):** Coverage starts the first of the month following the enrollment completion.
 - **Marriage:** Coverage effective the first of the month following enrollment.
 - **Birth, adoption, or court order:** Coverage can be backdated to the event date.
 - **Loss of other coverage:**
 - If enrolled before the old plan ends, coverage starts the first of the following month.
 - If the old plan ends mid-month, new coverage can start from the first of that month.
- **Rule Changes for 2024 and Beyond:**
 - **2024:** New coverage can start from the first of the month, during which the old plan ends if it ends mid-month.
 - **Proposed for 2025:** Standardize effective date rules across all state-run exchanges to match those of HealthCare.gov, with coverage starting the first month following enrollment during a special enrollment period.

“After enrollment, coverage will rarely take effect immediately.”

Remember: Always Remain Compliant

Consumer authorization is crucial as it ensures that licensed agents and brokers obtain documented consent before accessing or updating a person's Marketplace information. This documentation of consent is a requirement by CMS and can be achieved through various formats such as recorded calls, texts, emails, or signed documents. View a sample printable form on [CMS.gov](https://www.cms.gov).

The Sales Process

Follow this eight-step guide to sell ACA insurance plans over the phone:

1. Introduction
2. Qualify
3. Obtain consent
4. Begin application
5. Product presentation
6. Brief disclaimer
7. Complete application
8. Post-Close

Introduction: Consistent with every call, delivered clearly and with a pleasant, helpful tone.

- *"Hi, my name is (your name) with (agency name) on a recorded line. Who do I have the pleasure of speaking with?"*

Qualifying Questions: A "yes" response to either question disqualifies them from ACA.

- *"Do you have any health insurance benefits through Medicare or Medicaid?"*
- *"Do you have employer coverage or TriCare?"*

Obtain Consent: This is a HealthSherpa required statement.

- *"Mr./Mrs._____, do you authorize me to serve as the licensed health insurance agent or broker for you and your entire household, if applicable, for purposes of enrollment in a Qualified Health Plan offered on the Federally Facilitated Marketplace?" (wait for response)*

Begin Application: Confirm their information on a fact-finding mission.

- Legal name
- DOB
- Resident address
- Phone number
- Email address
- Legal names of all who will be insured
- Household income, including anyone who lives in the home
- If married, do they file taxes individually or jointly?
- Tobacco use: Have they used tobacco products four or more times per week for the past six months?
- Verify current coverage. Do they currently have coverage? If yes, why are they shopping for new coverage? If applicable: When was the last time they had coverage? How did they lose that coverage?

Product Presentation

Build interest and trust in the process:

- *"My goal is to provide you with the best available benefits and check your eligibility to enroll into an Affordable Care Act plan that best suit your needs! Does that sound good?"*

Present yourself and your company:

- *"I am a licensed and certified agent in your state with access to all carriers available in your area."*

Explain the process:

- *"It's quick, simple, and easy. I'm going to ask some questions to see if you qualify. Then, we'll review the benefits and complete a quick application. I'll instruct you on using your plan and provide my contact info so you can reach out anytime. This should only take about 15 to 20 minutes. Does that sound good?"*

Plan Presentation: Be sure to cover every item below...

- Plan premium & deductible
- Preventative, primary, specialist, & urgent care networks
- Confirm any specific in-network providers the individual wants to see
- Maximum out-of-pocket
- Prescription drugs
- Any additional benefits the consumer inquired about
- *"The plan can provide you with the provider directory for all the doctors in your area and a formulary list for medications. Do you have any questions about the benefits we reviewed?"*

Brief Disclaimer: This is necessary before processing the application.

- *“You are not eligible for premium credit if you have other coverage like employer, union, and Medicaid. If you become eligible for this type of coverage, please get in touch with the marketplace or me. You understand that you must file taxes for 2024. If you do not, you may not be eligible for a premium tax credit next year. If your income or household size changes from what we listed on your application, contact the marketplace or me, as this would impact your premium tax credit/tax return.*

To confirm, Mr./Mrs. (first & last name), the information on your enrollment application is accurate to the best of your knowledge. This application is for (effective month & year), and I (agent full name) will serve as your household’s agent of record moving forward. Our agency (if applicable) has your permission to complete future enrollment maintenance to ensure this plan remains in force, and I maintain your agent. You may also revoke this anytime by calling and speaking with me.

- *Do you understand & agree? (Must get a clear yes)*
- *Do I have your permission to send you text messages and follow-up phone calls regarding your enrollment and plan information?”*

Complete Application

Review and summarize all information in the application with the consumer before submitting it.

Post-Close: To proceed, you must receive a verbal “YES” to any questions asked.

“Thanks for letting me assist you with your insurance plan. Before we wrap things up, our Main Office toll-free number is xxx-xxx-xxxx, or you can email us at (email address). We can also send you a text message with the information. Sound good? Do you mind if we reach out with updates via text and email?”

As your agent, I’ve reviewed ALL the plans and carriers and enrolled you in the best benefits. You will see ads or get calls promising \$5,000 or \$6,000 in rewards. I have reviewed every plan available and signed you up for the best benefits. I promise it will waste your time and probably decrease your benefits. Does that make sense?”

Other problems that could occur by speaking to other people about this are another agent creating an error on your application, causing penalties and issues with your future tax returns. If anyone calls you about this, ask them to put you on the “DO NOT CALL” list. Sound good?”

Your welcome packet and ID cards should arrive within 10 to 14 days. Again, I’m your agent for life! I’m here for you, so if you have any questions or concerns, please get in touch with me. I wish you a fantastic day and an even better year ahead!”

*****Don’t forget to ask for referrals and cross-sell! *****

Cross-Selling With ACA

Cross-selling provides comprehensive, holistic solutions and strengthens your role as a trusted guide, ensuring consumer loyalty and business growth. When selling ACA plans, consider the following to address coverage gaps and enhance customer relationships:

- **Essential Coverage Additions:**
 - Offer dental and vision insurance, as many ACA plans do not cover these.
- **Long-Term Security:**
 - Include life insurance, final expense policies, and ancillary plans such as hospital indemnity, disability, critical illness, short-term and long-term care insurance.
- **Future Medicare Needs:**
 - Prepare for under-65 customers' future eligibility by discussing Medicare Advantage, Part D, and Medicare Supplement plans.

“Cross-selling ... provides comprehensive, holistic solutions.”

Steps to Get Started

Here are just a few simple steps — outlined by HealthCare.gov — that you can take to start selling ACA plans through the Health Insurance Marketplace:

1. Create an Account

- If you already have a CMS Enterprise Portal account, renew it for the current year instead of creating a new one.
- Visit the CMS Enterprise Portal at <https://portal.cms.gov/> and select “New User Registration” to create a new account.

2. Identify Yourself as an Agent or Broker

- Log in to your new Enterprise Portal account, select “Request Access Now,” and choose the “FFM/Training - Agents/Brokers/Assisters” tile.
- From the dropdown menu, select “FFM Agent Broker.”

3. Confirm Your Identity

- Provide the necessary information for identity proofing. You'll be redirected to the CMS Enterprise Portal home page upon confirmation.
- Log out and wait a few minutes for the agent/broker role to be assigned to your profile.

4. Take the Required Training

- Log back into the CMS Enterprise Portal, select “Complete Agent Broker Training,” and then click the “Access Training” link following to the Marketplace Learning Management System (MLMS) or a CMS-approved vendor.
- Complete the required profile information and save/update it.
- Choose the appropriate curriculum (Individual Market or SHOP) and complete all required training.

5. Sign the Privacy and Security Agreements

- Go to “Current Learning” to launch and electronically sign the CMS Privacy and Security agreements.
- After completing the curriculum, print your Registration Completion Certificate.

Remember! You can use your existing CMS Enterprise Portal account.

- [HealthCare.gov](https://www.healthcare.gov)

The ACA has revolutionized healthcare in the U.S., making it accessible and affordable for millions previously marginalized. This transformation extends beyond mere policy changes; it empowers licensed agents to play a crucial role in guiding individuals through the complexities of healthcare choices. As agents, the opportunity to tap into a diverse and growing market is not just a business expansion but a chance to profoundly impact lives, ensuring that healthcare is not a privilege but a right accessible to all.

Conclusion

YourFMO Resources

Visit YourFMO.com to explore extensive, free resources to help you promote, grow, and streamline your ACA sales process.

Sources:

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