

Fact Sheet: Minimum Essential Coverage

Under requirements of the Affordable Care Act, entities that provide *minimum essential coverage* — health insurers and employers that self-fund group plans — must report data to the Internal Revenue Service (IRS) about every individual covered by their benefit plans. A copy of the form used to report coverage must be sent to each subscriber as well.

Data to be Collected

Data that must be reported to the IRS includes

- Name, address, and Social Security Number (SSN) of each subscriber
- Name and SSN of all dependents
- Months each individual was enrolled

Reason for Data Collection

The federal government is seeking this data to monitor compliance with the law's mandate that individuals obtain basic coverage: Under the Affordable Care Act, individuals are required to maintain minimum essential coverage (basic health insurance coverage) for themselves and their dependents.

Independence Blue Cross (Independence) is required to report data to the IRS for members with all types of benefit plans that provide basic coverage, unless the member obtained coverage through the Individual Health Insurance Marketplace (Healthcare.gov). The early impacts of data collection requirements on Independence and other health insurers are soon to be felt: The first reports submitted to the IRS in 2016 will provide information on 2015 coverage.

What is Required

Filing Form 1095-B

Beginning in 2016, Independence, along with other health insurers, must file form 1095-B with the IRS to show minimum essential coverage for each subscriber in a fully insured group and their dependents. SSN for the subscriber and each dependent is requested as part of completing this form. A copy of the form (statement) goes to the subscriber, and they must include it with their tax return.

Obtaining Social Security Numbers

In 2014 and 2015, as part of meeting requirements under the Affordable Care Act, Independence, as well as other health insurers, must make reasonable attempts to obtain SSNs for all covered individuals.

The federal government is seeking data to monitor compliance with the mandate under the Affordable Care Act that individuals obtain basic coverage, called minimum essential coverage.

The first reports submitted to the IRS in 2016 will provide information on 2015 coverage.

- If a subscriber does not provide their SSN during enrollment, Independence must write to him or her to ask for the missing SSN
- Written requests for missing SSNs of dependents must be sent to the subscriber as well
- Up to three reasonable attempts must be made to obtain missing SSNs beginning in 2014 and continuing through 2015
- Date of birth will be allowed instead of SSN, but only if the health insurer is able to show they made a reasonable effort to obtain the SSN

In 2014 and 2015, as part of meeting requirements under the Affordable Care Act, Independence Blue Cross must make reasonable attempts to obtain Social Security Numbers for all covered individuals.

Action Plan

To meet reporting requirements mandated under the Affordable Care Act, Independence will:

- Request SSNs during enrollment
 - Counted as the first attempt to meet requirements
- Inform account executives and brokers which customers have members with missing SSNs
- Inform customers of planned communications to members
- Notify subscribers of missing SSNs via mail; ask them to supply missing info by completing a provided form and mailing it to a third-party vendor who will manage collection of information
 - Counted as the second attempt to meet requirements
 - Letter will be sent before Dec 31, 2014:
- Send an additional letter to subscribers who don't respond to the first mailing
 - Request SSNs during enrollment
 - Counted as the third and final attempt to meet requirements
 - Letter will be sent before Dec 31, 2015:

Self-funded customers

Regulations do not require Independence to collect member social security numbers on behalf of self-funded customers. If a customer has both self-funded and fully insured business, we will only be reaching out to the fully insured membership.

Message to Customers

Explain Independence's reporting responsibilities under the ACA to your customers. Expect to tell them the items below.

Communications to Subscribers

A letter will be sent to health plan subscribers asking for their SSN and

that of their dependents by the end of 2014. A follow up letter will be sent in 2015 to those who don't respond to the first letter.

Reassurance

Independence takes every possible measure to safeguard member's personal information, including working with a trusted third-party vendor to securely collect and report this information

How Members Should Respond

Employees should provide the required information by mail, in a postage-paid envelope which will be sent to them.

Impact

If Independence receives SSN info, the subscriber will receive a copy Form 1095-B, which is filed with the IRS to show minimum essential coverage

- This form will be needed when filing a federal income tax return beginning in 2016.
- If Independence does not have SSNs for covered employees, we may not be able to provide these employees with information they need to complete their tax return.
- Employees who cannot show the IRS they have health insurance face a financial penalty.

Contact

Customers should contact their broker or Independence account executive for additional information and answers to questions.

Frequently Asked Questions

Q: Can a customer or a broker with appropriate authorization enter member social security numbers (SSNs) into the employer portal as a way of providing the needed information?

A: If a customer has not migrated to the new platform, then they cannot update member SSNs via the employer portal. If a customer has migrated to the portal, they or an authorized broker can update the SSNs of dependents via the employer portal. Subscriber SSNs, however, cannot be updated using the employer portal.

Q: Do health insurers have to file Form 1095-B for all benefit plans offered?

A: No. The purpose of form 1095-B is to inform the IRS about individuals who have minimum essential coverage, and provide documentation for the covered individuals. Certain types of benefit plans do not provide minimum essential coverage and, therefore, are exempt from reporting requirements. For example,

- Vision and dental coverage that is not part of a comprehensive health insurance plan
- Medicare Supplement health plans

In addition, health insurers are not required to file Form 1095-B to report coverage under the Children's Health Insurance Program (CHIP), Medicaid, and Medicare Advantage programs. Government sponsors of these programs are required to fulfill reporting requirements.

Q: Will Independence be required to send out statements for all covered individuals?

A: Independence, along with other health insurers, is required to send statements to the responsible individual named on IRS form 1095-B, which usually is the employee-subscriber. Independence is not required to send statements to dependents. The statement may be either a copy of the return filed with the IRS or a substitute statement that includes the same data for each covered individual.

Q: What is the deadline for sending out copies of form 1095-B to subscribers?

A: Statements must be sent by first class mail to the last known address of the subscriber-employee by January 31 following the year of coverage. The first statements to subscribers must be sent out by Independence by January 31, 2016.

Q: Can Independence fulfill its obligation to subscribers by sending an electronic copy of the minimum essential coverage statement?

A: Electronic statements may be used, if the subscriber has consented to or opted-in for this format. Subscribers must also be allowed to opt out at any given time.