

Minimum Essential Coverage

Under requirements of the Affordable Care Act (ACA), entities that provide *minimum essential coverage* — such as health insurers and self-funded employer 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.

The federal government is seeking this data to monitor compliance with the law's mandate that individuals obtain basic coverage. Under the ACA, 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 of fully insured medical plans that provide minimum essential coverage, unless the member obtained coverage through the Individual Health Insurance Marketplace at healthcare.gov, Medicare, or CHIP. The first reports submitted to the IRS in 2016 will provide information on 2015 coverage.

Data to be collected

Data that must be reported to the IRS and the subscriber/contract holder includes:

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

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 his or her dependents. An 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 may also be required to include it with their tax return.

Obtaining SSNs

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 mandates under the Affordable Care Act that individuals obtain 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.
- 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.

Action plan

To meet reporting requirements mandated under the Affordable Care Act, Independence must make three reasonable attempts to collect SSN data by doing the following:

- Request SSNs during enrollment.
 - This is counted as the first attempt to meet requirements.
- Notify subscribers of missing SSNs via mail. Ask them to supply missing info by completing a provided form.
 - This is counted as the second attempt to meet requirements.
- Send an additional letter to subscribers who don't respond to the first mailing.
 - This is counted as the third and final attempt to meet requirements.

Please note that we are taking every possible measure to safeguard our members' personal information as we work to collect SSN data.

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, Independence will only be reaching out to the fully insured membership.

Member outreach

Communications to Subscribers

Letters were sent to health plan subscribers asking for their SSN and that of their dependents. A follow up letter will be sent to those who don't respond to the first letter.

How Members Should Respond

Employees should provide the required information by mail, in a business reply envelope which will be include with the letter they receive.

Impact

Subscribers will receive a copy of Form 1095-B to file with the IRS to show minimum essential coverage, regardless of whether or not Independence has received SSN info from the subscriber.

- This form will be needed when filing a federal income tax return beginning in 2016.
- If Independence does not have SSNs for covered employees, their date of birth will be reported on their 1095-B form and to the IRS.
- Employees who cannot show the IRS they have health insurance face a financial penalty.
- Individuals who do not provide their SSN to their insurer may be subject to a \$50 fine from the IRS.

Helpful links

Click the following links to refer to FAQs on required IRS reporting:

- [Questions and Answers on Information Reporting by Health Coverage Providers \(Section 6055\)](#)
- [Questions and Answers on Reporting of Offers of Health Insurance Coverage by Employers \(Section 6056\)](#)

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: Group customers or their 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 fully insured 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/or 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 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 Monday, February 1, 2016 (Note: January 31, 2016 is a Sunday).

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.

Q: What will Independence provide to our fully insured customers to assist them in the 1095-C reporting for ACA as required by IRC Section 6056?

A: Independence will provide the demographic data required to complete Part III of the form. That data will include: name of covered individuals, SSN (if available), date of birth, confirmation that the member was covered for all of 2015 and months of coverage during 2015.

Part II is information that only the employer will have. Independence will not be providing any data for this section.

Q: What can employers do to assist their employees to ensure accurate reporting?

A: Employers can encourage their employees to make sure that Independence has the correct SSNs on file for themselves and their dependents, as well as a current mailing address.

Sample 1095-C Form

Form **1095-C**
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c.

VOID
 CORRECTED

OMB No. 1545-2251
2014

Part I Employee

Applicable Large Employer Member (Employer)

1 Name of employee			2 Social security number (SSN)			7 Name of employer			8 Employer identification number (EIN)		
3 Street address (including apartment no.)						9 Street address (including room or suite no.)			10 Contact telephone number		
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code	

Part II Employee Offer and Coverage

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.
Cat. No. 60700M
Form **1095-C** (2014)