



Health care reform – May 2016

# Minimum Essential Coverage (MEC) Reporting – IRS Code Section 6055

## Background

The [individual shared responsibility provision](#) of the Affordable Care Act (ACA or health care reform law) says that every person has to have basic health insurance coverage or face a penalty. This is known as minimum essential coverage (MEC). Types of insurance that count as MEC are plans offered by an employer, COBRA coverage, retiree coverage, Medicare, Medicaid, Children’s Health Insurance Program (CHIP), and health insurance a person buys from an insurance company direct, through the Health Insurance Marketplace, or through a student health plan.

To make sure people have MEC, the Internal Revenue Service (IRS) needs reports to be sent by those who provide MEC. This is called Minimum Essential Coverage Reporting, or IRS Code Section 6055 Reporting.

Who	<ul style="list-style-type: none"> <li>• Insurers (on fully-insured business)</li> <li>• Employers with self-funded (ASO) health plans</li> </ul> <p>* Employers can hire third parties to do reporting for them, but the company is legally responsible. Anthem will not act as the third party and will not file the report for a fee.</p>
What	<ul style="list-style-type: none"> <li>• Insurer files form 1095-B with MEC data to the IRS for fully-insured plans and provides a copy to plan members</li> <li>• Employer, or plan sponsor, files form 1095-C with MEC data to the IRS for ASO plans</li> </ul>
When	<ul style="list-style-type: none"> <li>• IRS reporting due starting in 2017 for 2016 coverage year             <ul style="list-style-type: none"> <li>○ January 31, 2017 for paper filing</li> <li>○ March 31, 2017 for electronic filing (e-file)                 <ul style="list-style-type: none"> <li>▪ Employers filing 250 or more returns must e-file</li> </ul> </li> </ul> </li> </ul> <p>Statements to workers due starting in 2017 for 2016 coverage year, by January 31, 2017</p>

## Data to be sent

- Employer name address and identification number (EIN) filing the report
- For self-funded (ASO) plans, the name, address and identification number (EIN) of the company sponsoring the plan
- Name, address, and social security number (SSN) of each worker and each dependent covered
  - Date of birth can be used if the worker will not give the SSN
- Each month the covered person had insurance, even if it was only one day of the month
- If the insurance is a qualified health plan (QHP) through the Small Business Health Options Program (SHOP) and the SHOP unique identifier number
- Any other information asked for on the form, in the instructions, or in published guidance



## Questions and Answers

**Q. Will you file this report for employers?**

A. We will file Form 1095-B as the law requires of insurers. We will file the report for our fully-insured business. Self-funded (ASO) groups are responsible for filing their own report; a third party may be used, but the employer is responsible for the report being complete and correct. Anthem will not act as the third party for ASO groups and will not file the report for a fee.

**Q. Will you do the reporting for plans with minimum premium funding arrangements?**

A. No. Minimum premium plans are considered as self-funded (ASO). Therefore, employers with these plans are responsible for filing their own report; a third party may be used, but the employer is responsible for the report being complete and correct. Anthem will not act as the third party for ASO groups and will not file the report for a fee.

The exceptions are New Hampshire, Georgia, Virginia and Kentucky which require these plans to be reported as fully insured to the state regulator. In these cases, minimum premium plans are treated as fully insured and we will do the reporting just like any other fully insured group.

**Q. Will you get the data needed from workers?**

A. We will ask members of fully-insured groups for the social security number for themselves and covered dependents. We will also ask people with our fully-insured individual coverage for their and their dependents' social security numbers, except if they have coverage through the Exchange. Self-funded (ASO) groups are responsible for getting the social security numbers from workers and their dependents.

**Q. Will you send the statements to workers?**

A. We will send Form 1095-B to workers and people who have our fully-insured coverage (except for people who have individual coverage through the Exchange). Self-funded (ASO) groups are responsible for sending the statements to workers.

**Q. If a worker does not have the employer-sponsored coverage, does their data need to be in the report?**

A. No.

**Q. If a worker or dependent died, does their data need to be in the report?**

A. Yes, if the person was covered for any part of the year being reported on, their data needs to be included.

**Q. When will the forms be available from the IRS?**

A. The IRS has released the final forms and instructions: [Form 1095-B](#), [Form 1095-C](#), [Instructions for 1095-B](#), [Instructions for 1095-C](#) used with the filing that began in 2016 for the 2015 coverage year. Forms for the filing in 2017 for the 2016 coverage year are not yet available.

**Q. Who fills out the form?**

A. The insurer will complete Form 1095-B for its insured members. Employers that have self-funded (ASO) plans will fill out both parts of Form 1095-C, reporting MEC and employer mandate information. Employers with fully-insured plans will only fill out the part of Form 1095-C reporting information about the employer mandate.

**Q. Who gets the "Statement of Minimum Essential Coverage"?**

A. Each worker who has information reported on themselves and/or their dependents.

**Q. Can the statements for workers be sent electronically, like W2 forms?**

A. Yes, as long as consent is given by the worker and other requirements are satisfied. Electronic delivery must follow the [Department of Labor \(DOL\) rules on electronic disclosure](#).



**Q. How can the statements be given to workers?**

- A. By mail, email, or in person. Instructions have to be given for how to get and print the statement, and have to include "IMPORTANT TAX RETURN DOCUMENT AVAILABLE" in all capital letters. This must be the subject line if email is used.

This content is provided solely for informational purposes. It is not intended as and does not constitute legal advice. The information contained herein should not be relied upon or used as a substitute for consultation with legal, accounting, tax and/or other professional advisers.