

Reporting for Covered Members Calendar Year 2015-Affordable Care Act

Producer Communication #740

Issued October 21, 2015

Message

The Affordable Care Act has brought extensive changes and numerous new requirements to the health care industry. One of the mandates concerns the information reporting responsibilities of insurers and employers starting in January 2016, covering the 2015 calendar year. In particular, health insurance companies and certain employers are required to provide information to members and the Internal Revenue Service (IRS) that confirms their members have minimum essential coverage.

Details

The new information reporting systems will be similar to the current Form W-2 reporting systems in that an information return (Form 1095-B or Form 1095-C) will be prepared for each applicable employee, and these returns will be filed with the IRS using a single transmittal form (Form 1094-B or 1094-C). Generally, the information on these forms will include the name, address and Social Security number (or date of birth) of members and their dependents who were provided minimum essential coverage during the previous calendar year and the months they were provided such coverage. The information statements to members are due by February 1, 2016.

An employer's health plan and number of employees determine the filing requirements. Generally, insurance companies will use Form 1095-B (proof of health coverage for members) and Form 1094-B (groups' documentation to prove minimum health coverage was provided) to report individuals covered by insured employer-sponsored group plans. Small employers with self-insured health plans will also use Form 1095-B and Form 1094-B to report individuals covered by small employer self-insured health plans.

Applicable large employers (employers that had, on average, at least 50 full-time employees, including full-time equivalent employees) will file Form 1095-C (Employer-Provided Health Insurance Offer and Coverage) and Form 1094-C (Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns). These forms are required if the employer offers an insured or self-insured plan or does not offer any group health plan.

There are three parts to Form 1095-C. Applicable large employers that offer self-insured plans must complete all parts of the Form 1095-C. Applicable large employers that offer insured plans must complete Parts I and II of Form 1095-C. Insurance companies will provide a Form 1095-B that contains the Part III "Covered Individuals" information.

The chart below details reporting responsibilities based on the size and insured status of employer groups.

Producer Bulletin



| | INSURED | SELF-INSURED |
|--|---|---|
| SMALL EMPLOYER (On average, fewer than 50 full-time employees, including full-time equivalent) | <ul style="list-style-type: none">• CBC sends 1095-B to members.• CBC sends 1094-B to IRS. | <ul style="list-style-type: none">• Small employer sends the 1095-B to members.• Small employer sends 1094-B to IRS. |
| LARGE EMPLOYER (On average, more than 50 full-time employees, including full-time equivalent) | <ul style="list-style-type: none">• CBC sends 1095-B to members.• CBC sends 1094-B to IRS.• Large employer sends 1095-C (only Parts I and II) to employees.• Large employer sends 1094-C to IRS. | <ul style="list-style-type: none">• Large employer sends fully completed 1095-C to members.• Large employer sends 1094-C to IRS. |

As a courtesy to our ASO customers, Capital BlueCross will provide a list of members and their respective covered dependents, for whom each ASO customer provides minimum essential coverage. This information will be available in early December in the form of a spreadsheet (*Attachment A*), and will contain the names of the members and covered dependents, associated Social Security numbers (or dates of birth), and the months for which coverage was provided. One standard format will be used for all groups. The file will be generated in Microsoft Excel so that the employer group can manipulate it to the format they require. More details about the distribution of this information will be shared soon. A letter explaining this effort will be sent to our ASO customers in mid-October (*Attachment B*).

Please note that applicable large employers are required to provide Form 1095-C to all of their full-time employees, even if the applicable large employers do not provide them minimum essential coverage. The information being provided by Capital BlueCross will not include these individuals since information regarding non-covered individuals would not be in the possession of Capital BlueCross. New enrollees and/or retroactive enrollees added after the spreadsheet is made available to ASO groups will not be reflected on the spreadsheet. Please note the following:

- Capital BlueCross is providing only the information for Part III of Form 1095-C for ASO groups regarding enrollment in minimum essential health care coverage to include the subscriber and dependents of our ASO members.
- The group employer must complete all other sections pertaining to their tax filing, safe harbor, and to whom they provide coverage. They will need to pick the codes based on their own set up.
- Groups can find all the documentation they need about this requirement at IRS.gov.
- Capital BlueCross will wait until enrollment closes in December 2015 to generate a file with the most accurate information.
- ***Any information provided to ASO group customers (or others) regarding the mandated reporting requirements is not legal advice or legal opinion and should not be construed as such. It is intended for general purposes only. ASO customers should be urged to consult a lawyer concerning their own situation, legal obligations, and any specific legal questions they may have.***

Attachments

- **Attachment A** – ASO Covered Members CY 2015
- **Attachment B** – Letter to ASO Customers

Questions

Contact your Preferred Agency with any questions. Thank you.