

Reporting for Covered Members Calendar Year 2016-Affordable Care Act

Producer Communication #787

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Summary

The Patient Protection and Affordable Care Act (PPACA) 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. 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 (MEC).

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 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 if all good faith efforts to obtain the social security number failed) of members and their dependents who were provided MEC during the previous calendar year and the months they were provided such coverage. IRS form 1095-B Health Coverage and IRS form 1095-C Employer-Provided Health Insurance Offer & Coverage are included at the end of this Bulletin.

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 (transmittal of Health Coverage Information Return) 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, in the previous year) 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.

	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 and 1095-B to IRS. 	<ul style="list-style-type: none"> Small employer sends the 1095-B to members. Small employer sends 1094-B and 1095-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 and 1095-B. Large employer sends 1095-C (only Parts I and II) to employees. Large employer sends 1094-C and 1095-C to IRS. 	<ul style="list-style-type: none"> Large employer sends fully completed 1095-C to members. Large employer sends 1094-C and 1095-C to IRS.

As a courtesy to our ASO customers, Capital BlueCross will provide a list of subscribers and their respective covered dependents, for whom each ASO customer provides MEC. The *ASO member and coverage spreadsheet* captures the names of the subscriber and covered dependents, associated Social Security numbers (or dates of birth), as well as the months for which coverage was provided. This information was made available in December via SecureMail to the Group Administrator. Any new ASO Group Customer enrolled between December 1, 2016 and December 29, 2016, received the ASO member and coverage spreadsheet in January via SecureMail.

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 MEC. The information being provided by Capital BlueCross will not include these individuals since information regarding non-covered individuals is not provided to Capital BlueCross. New enrollees and/or retroactive enrollees added after the spreadsheet was made available to ASO groups are not 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 MEC 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](https://www.irs.gov).
- 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/tax professional concerning their own situation, legal obligations, and any specific legal questions.***

Fully-Insured Member Mailing of 1095-B Forms

Capital BlueCross will mail the required tax document, Form 1095-B to the following:

- All fully-insured group subscribers
- Off-exchange individual subscribers

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- On-exchange catastrophic subscribers
- PersonalBlue subscribers

In addition, Capital BlueCross will be transmitting this information to the Internal Revenue Service (IRS) so that the IRS can confirm that these members had MEC during the 2016 tax year.

The 1095-B will include a slip-sheet with the following message:

Thank you for being a valued Capital BlueCross customer.

As you know, the Patient Protection and Affordable Care Act (PPACA) has brought extensive changes and numerous new requirements to the health care industry. The Internal Revenue Service (IRS) requires proof that you, and any other members of your household, have a health insurance plan that provides minimum essential coverage. The enclosed form provides information needed to report on your income tax return that you, your spouse (if you file a joint return), and individuals you claim as dependents had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year.

If you have any questions about this form, please call the customer service number on the back of your member ID card. You are a valued customer, and we are committed to serving you with excellence.

Should a member have questions about their 1095-B, they should call the phone number on the back of their member ID card.

Should a subscriber require a duplicate/replacement Form 1095-B they should go to capbluecross.com and log into their personal member account. They can then click on the "Tax Forms" button located under "Manage My Information" to view/print the required form. Subscribers can also contact customer service by calling the phone number on the back of their member ID card to request a duplicate/replacement 1095-B form.

If the member identifies a need for an update or correction to the information found on the 1095-B, they should do one of the following:

- If enrolled through an employer, all coverage updates/changes should be directed to the employer who should follow established processes to provide CBC with updated information. All required updates must be supplied to Capital BlueCross by March 17, 2017.
- If enrolled in an individual account product that was not purchased on the Federally Facilitated Marketplace (FFM), an updated enrollment application should be submitted to Capital BlueCross no later than March 17, 2017. Blank enrollment applications are available at capbluecross.com.
- If enrolled in a catastrophic product that was purchased on the FFM, submit the required updates via the FFM. These updates must be made by March 17, 2017.

An updated 1095-B form will be issued the day after the enrollment update has been processed by Capital BlueCross. Updated 1095-B forms will only be issued to those subscribers whose 2016 enrollment information has changed. The following enrollment changes will precipitate the issuance of a corrected 1095-B:

- Change in the member's first name, last name or middle initial
- Change in the member's SSN
- Change in the member's birthdate
- Change in the member's coverage termination date
- Change in the subscriber's first name, last name, or middle initial
- Change in the subscriber's SSN

Health care benefit programs issued or administered by Capital BlueCross and/or its subsidiaries, Capital Advantage Insurance Company®, Capital Advantage Assurance Company® and Keystone Health Plan® Central. Independent licensees of the Blue Cross and Blue Shield Association. Communications issued by Capital BlueCross in its capacity as administrator of programs and provider relations for all companies.

- Change in the subscriber's birthdate
- Change in the address – street, city, state, zip code and/or country
- Change in the Employer Tax ID associated with the subscriber's group/employer

If a corrected 1095-B should have been issued, and it is not received within 10 days of the enrollment update, the member should call the Customer Service number on the back of their member ID card. Applicable large group employers who are fully insured (50 or more employees) will also be sending their covered members additional tax filing information on a Form 1095-C.

NOTE: The 1095-B is specific to fully insured coverage. There are situations where a group may be fully insured for some part of 2016 and ASO/self-insured for another part of 2016. In such situations, the group's subscribers would receive a 1095-B form from Capital BlueCross (for the months during which the group was fully insured) and 1095-C form from their employer (for the months during which the group was ASO/self-insured).

Producers may want to reach out to any groups that transitioned to an ASO product during the 2016 calendar year to explain to them that their covered employees should receive two 1095 forms. A 1095-B form from Capital BlueCross that documents the timeframe they were covered by a fully insured plan through Capital BlueCross and a 1095-C form from the employer group that documents the time they were covered by an ASO plan through their employer.

Self-Funded Group Employees

Self-funded group employees will receive a 1095-C Form from their employer for the 2016 tax year. Similar to the Form 1095-B, the 1095-C will contain information regarding MEC for the subscriber and each qualified dependent.

If the member identifies a need for an update or correction to the information found on the 1095-C, they should contact their employer who should follow established protocols to update their membership file and, if applicable, issue a new form to the member.

Capital BlueCross cannot provide specific tax advice. Individuals or groups should contact their tax adviser with any tax-related questions.

Additional information can be found at [IRS.gov](https://www.irs.gov).

Attachments

- **Attachment A** – IRS Form 1095-B Health Coverage
- **Attachment B** – IRS Form 1095-C Employer Provided Health Insurance Offer & Coverage
- **Attachment C** – ASO Member & Coverage Spreadsheet

Questions

Contact your Preferred Agency with any questions. Thank you.