



## AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

January 4, 2016

### Quick Links

[MA-ACA Website](#)



These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

### Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

### Grant Announcements

**Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations, \$4002.**  
Announced December 23, 2015.

Continued funds are available to provide critical breast and cervical cancer screening services to underserved women, including older women, low income women, and women of racial and ethnic minority groups.

Eligible applicants are limited to grantees previously awarded funding under this opportunity, one of which is the Massachusetts Department of Public Health. Fifty awards are available.

Applications are due February 26, 2016.

The announcement can be viewed at: [GRANTS.GOV](#)

## Grant Activity

For information about ACA grants awarded to and grant proposals submitted by the Commonwealth, visit the Grants page of the **Massachusetts National Health Care Reform website** at:

<http://www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/national-health-care-reform-plan/grants-and-demonstrations.html>

## Guidance

**12/28/15 IRS/Treasury issued Notice 2016-4, "Extension of the Due Dates for 2015 Information Reporting under I.R.C. §§ 6055 and 6056."** The notice extends the due dates for the 2015 information reporting requirements, both furnishing to individuals and filing with the IRS, for insurers, self-insuring employers, and certain other providers of [minimum essential coverage](#) (MEC, §1501) under I.R.C. §6055, and the information reporting requirements for applicable large employers under I.R.C. §6056. The notice also provides guidance to individuals who, as a result of these extensions, might not receive a Form 1095-B, *Health Coverage*, or Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, by the time they file their 2015 tax returns.

Specifically, the notice (1) extends the due date for furnishing the 2015 Form 1095-B and the 2015 Form 1095-C from January 31, 2016, until March 31, 2016, and (2) extends the due date for filing with the IRS the 2015 Form 1094-B, Transmittal of Health Coverage Information Returns, the 2015 Form 1095-B, the 2015 Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and the 2015 Form 1095-C, from February 29, 2016, to May 31, 2016 if not filing electronically, and from March 31, 2016, to June 30, 2016 if filing electronically.

Section 6055 (which was added by ACA §1502) requires health insurance issuers, self-insuring employers, government agencies, and other providers of MEC to file and furnish annual information returns and statements regarding the type and period of coverage provided to insured individuals. According to the IRS, the information is used by the agency to administer (as well as used by individuals to show compliance with) the individual shared responsibility provision in section 5000A. The [individual shared responsibility provision](#) requires each nonexempt individual to have basic health insurance coverage known as MEC, qualify for an exemption, or make a shared responsibility payment when filing their federal income tax return.

Section 6056 (which was added by ACA §1514) requires "applicable large employers" (generally those with 50 or more full-time employees, including full-time equivalents, in the previous year) to file and furnish annual information returns and statements relating to the health insurance that the employer offers (or does not offer) to its full-time employees. According to the agency, the information provided on the information return is used by the IRS to administer the [employer shared responsibility provisions](#) of section 4980H, as well as part of the determination of whether an employee is eligible for the premium tax credit under section 36B. The employer shared responsibility provisions under IRS Section 4980H (which was added to the IRS Code by ACA §1513) state that "applicable large employers" must offer health coverage to their full-time employees or a shared responsibility payment may apply. For 2015 and after, "applicable large employers," those employers employing at least a certain number of employees (employers with 50 or more full-time employees\*) must offer affordable health coverage that provides a minimum level of coverage (§1501) to their full-time employees (and their dependents), or the employer may be subject to an employer shared responsibility payment if at least one of its full-time employees receives a premium tax credit (§1401, §1411) for purchasing individual coverage on one of the Affordable Insurance Exchanges (Marketplaces).

\*Under the ACA, 50 full-time employees or a combination of full-time and part-time employees is equivalent to 50 full-time employees. A full-time employee is an individual employed on average at least 30 hours of service per week. An employer that meets the 50 full-time employee threshold is referred to as an applicable large employer.

More information about reporting by health coverage providers and §6055 can be found at:

<https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-on-Information-Reporting-by-Health-Coverage-Providers-Section-6055>

More information about reporting by employers under §6056 can be found at:

<https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-Employers-Section-6056>

Read the notice at: <https://www.irs.gov/pub/irs-drop/n-16-4.pdf>

**12/22/15 IRS/Treasury issued Notice 2016-02, "Claiming the Health Coverage Tax Credit for 2014 and 2015."** The notice provides guidance regarding the [health coverage tax credit \(HCTC\)](#) under section 35 of the Internal Revenue Code, as modified by the Trade Preferences Extension Act of 2015, (June 29, 2015). The notice provides information on who may claim the HCTC, the amount of the HCTC, and the procedures to claim the HCTC for tax years 2014 and 2015. Additionally, the notice also provides guidance for taxpayers eligible to claim the HCTC who enrolled in a qualified health plan (QHP) offered through a Health Insurance Exchange (Marketplace) in tax years 2014 or 2015, and who claimed or are eligible to claim the [premium tax credit](#) under section 36B.

The HCTC is a tax credit that pays 72.5% of qualified health insurance premiums for eligible individuals and their families. According to Section 35 of the IRS Code, eligibility for the HCTC is dependent upon specific rules. There are three categories of eligible individuals: (1) eligible trade adjustment assistance (TAA) recipients (individuals eligible for trade adjustment assistance under a program administered by the U.S. Department of Labor), (2) eligible alternative TAA (ATAA) recipients and reemployment TAA (RTAA) recipients (individuals eligible for alternative or reemployment trade adjustment assistance under a program administered by the U.S. Department of Labor), and (3) eligible Pension Benefit Guaranty Corporation (PBGC) pension recipients (individuals who are at least age 55 and who are receiving a benefit any portion of which is paid by the PBGC). Whether someone is an eligible individual is determined on a month-by-month basis.

There are many types of health insurance plans which may qualify for the HCTC tax credit. Individual health insurance offered through an Exchange such as a QHP is included as qualified health coverage for coverage months in 2014 and 2015 taxable years. However, coverage through the Exchange is not qualified health coverage for months in taxable years beginning after 2015.

The premium tax credit is a refundable credit that helps eligible individuals and families with low or moderate income afford health insurance purchased through a Health Insurance Exchange. The premium tax credit is designed to make purchasing a health plan on the Exchange affordable for low and moderate income Americans by reducing a taxpayer's out-of-pocket premium cost. To be eligible to receive the premium tax credit, individuals and families must have incomes between 100%- 400% FPL (or between 0% - 400% FPL if lawfully present and ineligible for Medicaid) and be enrolled in a QHP through an exchange. The individual must also be ineligible for government sponsored insurance and not have access to employer sponsored insurance that meets definitions of affordability and minimum essential coverage as established by ACA §1401. Advance payments are made monthly under ACA §1412 to the issuer of the QHP in which the individual enrolls. ACA §1402 provides for the reduction of cost sharing for certain individuals enrolled in QHPs offered through the Exchanges and §1412 provides for the advance payment of these reductions to issuers.

Some individuals may be eligible to receive both the HCTC tax credit and the premium tax credit. Learn more about those circumstances at:

<https://www.irs.gov/Individuals/HCTC-Health-Plans-Q-and-A>

For more information on the HCTC, visit: <https://www.irs.gov/Credits-&-Deductions/Individuals/HCTC>

For information on the premium tax credit, visit: <https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/The-Premium-Tax-Credit>

Read Notice 2016-02 at: <https://www.irs.gov/pub/irs-drop/n-16-02.pdf>

Prior guidance can be found at: [www.hhs.gov/healthcare/index.html](http://www.hhs.gov/healthcare/index.html)

## Upcoming Events

### **Integrating Medicare and Medicaid for Dual Eligible Individuals (also known as One Care) Implementation Council Meeting**

Friday January 15, 2016  
1:00 PM - 3:00 PM  
1 Ashburton Place, 21st Floor  
Boston, MA 02108

We welcome attendance from all stakeholders and members of the public with an interest in One Care. Reasonable accommodations will be made for participants who need assistance. Please send your request for accommodations to Donna Kymalainen at: [Donna.Kymalainen@state.ma.us](mailto:Donna.Kymalainen@state.ma.us)

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Bookmark the **Massachusetts National Health Care Reform website** at: [National Health Care Reform](#) to read updates on ACA implementation in Massachusetts.

Remember to check the Mass.Gov website at: [Dual Eligibles](#) for information on the "**Integrating Medicare and Medicaid for Dual Eligible Individuals**" initiative.

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