



Eligibility Operations Memo 23-01
January 1, 2023

TO: MassHealth Eligibility Operations Staff

FROM: Heather Rossi, Director of Eligibility Policy

RE: **Federal and State Health Insurance Requirements for Tax Year 2022**

Introduction

For tax year 2022, both **federal and state** regulations require Massachusetts residents to have health insurance benefits that meet certain standards. Federal rules require coverage known as **minimum essential coverage** (MEC), while state rules require **minimum creditable coverage** (MCC).

Individuals who do not meet these health insurance requirements may be responsible for a penalty on their state tax return. Beginning with tax year 2019, there is no federal tax penalty for not meeting MEC. For the Massachusetts health-care mandate, the Massachusetts Department of Revenue (DOR) is responsible for enforcing this requirement. The Internal Revenue Service (IRS) enforces federal health insurance requirements under the Affordable Care Act, and though the penalty has been eliminated at the federal level, the form can be requested.

Minimum Creditable Coverage (state)

Minimum creditable coverage is the minimum level of benefits needed for taxpayers to be considered insured and avoid state tax penalties. The following coverage types meet MCC.

- Standard
- CarePlus
- CommonHealth
- Family Assistance

Minimum Essential Coverage (federal)

Minimum essential coverage is the minimum level of benefits needed for taxpayers to be considered insured under federal law. The following coverage types meet MEC.

- Standard
- CarePlus
- CommonHealth
- Family Assistance

State Requirements for Tax Year 2022—Form 1099-HC

Massachusetts regulations require MassHealth to furnish proof of insurance to its members who had minimum creditable coverage in 2022. MassHealth will issue each eligible individual a Form 1099-HC. This form shows each month the individual was covered in 2022. If all 12 months are marked covered, the individual was covered by MassHealth for the entire 2022 calendar year. If specific months are marked, the individual was covered by MassHealth only during the marked months.

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MassHealth will issue Form 1099-HC to members who were covered in an MCC coverage type for at least 15 days of any month during calendar year 2022. Form 1099-HC will be sent out at the individual level. In order for a member to receive this form, the following conditions must be met.

- Member must have income greater than 150% of the federal poverty level (FPL) at any point during calendar year 2022.
- Member must have a MCC coverage type for at least 15 days of any month during calendar year 2022.
- Member must have been at least 18 years old as of December 31, 2022.

Note: *Members with income at or below 150% FPL will not receive a Form 1099-HC from MassHealth.*

Federal Requirements for Tax Year 2022—Form 1095-B

Federal regulations under the Affordable Care Act require MassHealth to furnish proof of insurance to MassHealth members who had minimum essential coverage in 2022. MassHealth will mail each eligible member a 1095-B form. This form shows each month the individual was covered in 2022. If all 12 months are marked covered, the individual was covered by MassHealth for the entire 2022 calendar year. If specific months are marked, the individual was covered by MassHealth only during the marked months.

MassHealth members who were covered in a minimum essential coverage aid category for at least one day of any month during calendar year 2022 may request a duplicate Form 1095-B. The 1095-B form can be accessed online by visiting www.masshealthtaxform.com. If MassHealth members need to request a Form 1095-B be mailed to them, they can contact the MassHealth Customer Service Center at (866) 682-6745, TDD/TTY: 711. A separate form must be requested for each covered individual.

Note: *The information on the MA 1099-HC may differ from the 1095-B because of differences in federal and state rules regarding minimum essential coverage.*

For Health Connector Members

Individuals enrolled in qualified health plans (QHP) through the Affordable Care Act will not receive Form 1095-B. They may request a different form called Form 1095-A.

Note: Individuals who received QHP and MassHealth benefits in 2020 may receive Form 1095-A, Form 1095-B, and the 1099-HC (if applicable).

If QHP recipients have questions about federal tax-filing requirements, they may call the IRS Call Center at (800) 829-1040 or go to www.irs.gov. If individuals have questions about why they received Form 1095-A from the Health Connector, or if they need a duplicate copy of Form 1095-A, they should contact Health Connector Customer Service at (877) MA-ENROLL (877) 623-6765), TDD/TTY: 711. Members may download a copy of their Form 1095-A online by signing into their account at www.MAHealthConnector.org and clicking on “Make a Payment.” 1095-As are viewable in the “My Tax Documents” section of the Payment Center.

Tax Penalties and Permissible Lapse Periods–Form 1099-HC

There is no state penalty for those with a lapse in coverage of three or fewer months during 2022. Taxpayers who lose but then resume their coverage within three or fewer consecutive calendar months will not be subject to penalties. Multiple and distinct lapses are permitted throughout the year. Taxpayers with four or more consecutive months without insurance will indicate on Schedule HC if they had access to affordable health insurance (either through an employer, the government, or on their own).

Taxpayers calculate access to affordable health insurance on Schedule HC. If insurance is deemed unaffordable, the health-care penalty does not apply. If insurance is deemed affordable, the health-care penalty applies. The taxpayer may appeal the penalty to the Health Connector. More information about the appeals process is available on the DOR website (www.mass.gov/dor).

Tax Penalties and Permissible Lapse Periods–Form 1095-B

Beginning in tax year 2020, the federal tax penalty for a lapse in coverage was reduced to \$0. However, the federal government did not eliminate the requirement for states to furnish Form 1095-B or to provide information about Medicaid and CHIP enrollment to IRS. Therefore, states must continue to provide Forms 1095-B for Medicaid and CHIP coverage for tax year 2022 and beyond. If there is any change to these reporting requirements, CMS will communicate the changes to states.

Questions

If individuals have questions about why they received the Form MA 1099-HC or Form 1095-B from MassHealth, or if they need a duplicate copy of either form, they should contact the MassHealth Customer Service Center at (866) 682-6745, TDD/TTY: 711.

If members have questions about whether they are required to fill out a federal tax return, or about how to complete federal tax returns with the information provided for 1099-HC and/or 1095-B, they may call the IRS Call Center at (800) 829-1040 or go to www.irs.gov where they can obtain information about the tax penalty, instructions, and a sample Form 1095-B.

For inquiries on how to calculate access to affordable insurance or on the appeals process, refer the member to the Schedule HC instructions in the Massachusetts tax form or on the DOR website at www.mass.gov/dor. The instructions are available wherever Massachusetts tax forms are available, such as public libraries and online.

For inquiries about the DOR online application, MassTaxConnect, refer the member to the DOR website (www.mass.gov/dor). If you have any questions about this memo, please have your MEC designee contact the Policy Hotline.

Form **1095-B**Department of the Treasury
Internal Revenue Service**Health Coverage**

Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095B for instructions and the latest information.

 VOID

OMB No. 1545-2252

 CORRECTED**2022****Part I Responsible Individual**

1 Name of responsible individual—First name, middle name, last name		2 Social security number (SSN) or other TIN	3 Date of birth (if SSN or other TIN is not available)
4 Street address (including apartment no.)	5 City or town	6 State or province	7 Country and ZIP or foreign postal code
8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): . . . ▶ <input type="checkbox"/>			9 Reserved

Part II Information About Certain Employer-Sponsored Coverage (see instructions)

10 Employer name			11 Employer identification number (EIN)
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

16 Name		17 Employer identification number (EIN)	18 Contact telephone number
19 Street address (including room or suite no.)	20 City or town	21 State or province	22 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual.)

(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23			<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"/>	<input type="checkbox"/>

For 2022, each covered individual will receive a separate Form 1095-B from MassHealth.

Instructions for Recipient

This Form 1095-B provides information about the individuals in your tax family (yourself, spouse, and dependents) who had certain health coverage (referred to as "minimum essential coverage") for some or all months during the year. Minimum essential coverage includes government-sponsored programs, eligible employer-sponsored plans, individual market plans, and other coverage the Department of Health and Human Services designates as minimum essential coverage.

Before 2019, individuals who did not have minimum essential coverage and did not qualify for an exemption from this requirement could be liable for the individual shared responsibility payment. Beginning in 2019, individuals will not be responsible for the individual shared responsibility payment because the payment amount is reduced to \$0. However, if individuals in your tax family are eligible for certain types of minimum essential coverage, you may not be eligible for the premium tax credit. For more information on the premium tax credit, see Pub. 974, Premium Tax Credit (PTC).



Providers of minimum essential coverage are required to furnish only one Form 1095-B for all individuals whose coverage is reported on that form. As the recipient of this Form 1095-B, you should provide a copy to other individuals covered under the policy if they request it for their records.

Additional information. For additional information about the tax provisions of the Affordable Care Act (ACA), including the individual shared responsibility provisions, and the premium tax credit, see www.irs.gov/ACA or call the IRS Healthcare Hotline for ACA questions (800-919-0452).

Part I. Responsible Individual, lines 1–9. Part I reports information about you and the coverage.

Lines 2 and 3. Line 2 reports your social security number (SSN) or other taxpayer identification number (TIN), if applicable. For your protection, this form may show only the last four digits. However, the coverage provider is required to report your complete SSN or other TIN, if applicable, to the IRS. Your date of birth will be entered on line 3 only if line 2 is blank.

Line 8. This is the code for the type of coverage in which you or other covered individuals were enrolled. Only one letter will be entered on this line.

- A. Small Business Health Options Program (SHOP)
- B. Employer-sponsored coverage
- C. Government-sponsored program
- D. Individual market insurance
- E. Multiemployer plan
- F. Other designated minimum essential coverage
- G. Individual coverage health reimbursement arrangement (HRA)



If you or another family member received health insurance coverage through a Health Insurance Marketplace (also known as an Exchange), that coverage will generally be reported on a Form 1095-A rather than a Form 1095-B. If you or another family member received employer-sponsored coverage, that coverage may be reported on a Form 1095-C (Part III) rather than a Form 1095-B. For more information, see www.irs.gov/Affordable-Care-Act/Questions-and-Answers-About-Health-Care-Information-Forms-for-Individuals.

Line 9. Reserved.

Part II. Information About Certain Employer-Sponsored Coverage, lines 10–15. If you had employer-sponsored health coverage, this part may provide information about the employer sponsoring the coverage. This part may show only the last four digits of the employer's EIN. This part may also be left blank, even if you had employer-sponsored health coverage. If this part is blank, you do not need to fill in the information or return it to your employer or other coverage provider.

Part III. Issuer or Other Coverage Provider, lines 16–22. This part reports information about the coverage provider (insurance company, employer providing self-insured coverage, government agency sponsoring coverage under a government program such as Medicaid or Medicare, or other coverage sponsor). **Line 18 reports a telephone number for the coverage provider that you can call if you have questions about the information reported on the form.**

Part IV. Covered Individuals, lines 23–28. This part reports the name, SSN or other TIN, and coverage information for each covered individual. A date of birth will be entered in column (c) only if the SSN or other TIN is not entered in column (b). Column (d) will be checked if the individual was covered for at least 1 day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which these individuals were covered. If there are more than six covered individuals, see Part IV, Continuation Sheet(s), for information about the additional covered individuals.

ATTENTION: Important Tax Filing Information Enclosed



[DATE]

[NAME]
[ADDRESS]
[CITY], [STATE] [ZIP+4]

Dear [NAME],

We are sending you this notice because you were covered by MassHealth for at least part of one month in 2022. Affordable Care Act (ACA) rules require you to have health insurance that meets a minimum standard called **minimum essential coverage**. The enclosed form(s) provide(s) information you may need to complete your federal or state income tax return.

Form 1095-B

Form 1095-B is an Internal Revenue Service (IRS) form. It shows the months **you** met the **federal** rules for minimum essential coverage. In Part IV of Form 1095-B, you will see a box with a checkmark below each month or part of a month that you had MassHealth coverage in 2022.

Form MA 1099-HC

Note: If MassHealth did not need to send you Form 1099 HC, it is not in your envelope.

Form MA 1099-HC shows each month **you** met the **Massachusetts** rules for health care coverage. In this **state** document, you will see a box with a checkmark next to each month or partial month of MassHealth coverage for 2022. You will need the information in this form if you need to fill out the **state** income tax return. By state law, MassHealth will also send your MA 1099-HC information to the Massachusetts Department of Revenue (DOR) if you are eligible to receive the document. Please note: the information about health coverage on your MA 1099-HC may differ from your 1095-B because of differences in the federal and state rules regarding Minimum Creditable Coverage.

Questions about the IRS Form 1095-B and Massachusetts Form 1099-HC

IRS Form 1095-B

If you need to request a duplicate Form 1095-B from MassHealth, please visit masshealthtaxform.com. You can also contact the MassHealth Customer Service Center at (866) 682-6745, TDD/TTY: 711 for people who are deaf, hard of hearing, or speech disabled.

If you have questions about whether you need to fill out a federal tax return, or about how to complete your federal tax return with the 1095-B information, call the IRS Call Center at (800) 829-1040 or go to www.irs.gov.

Form MA 1099-HC

If you have questions about whether you need to fill out a Massachusetts tax return, or about how to complete the state tax return with the MA 1099-HC information, go to the Massachusetts DOR website at www.mass.gov/dor/individuals/. Schedule HC can also be found wherever Massachusetts income tax forms are available, such as public libraries.

If you have questions about why you received the Form MA 1099-HC from MassHealth or if you need a duplicate notice, call the MassHealth Customer Service Center at (866) 682-6745, TDD/TTY: 711.

MassHealth

You can get this information in large print or braille. Call (800) 841-2900 Monday through Friday, 8:00 a.m. to 5:00 p.m. TDD/TTY: 711.

1095B/1099-CL (Rev.11/19)

ATENCIÓN: Se adjunta información importante para la declaración de impuestos



[DATE]

[NAME]

[ADDRESS]

[CITY], [STATE] [ZIP+4]

Estimado/a [NAME]:

Le estamos enviando este aviso debido a que usted tuvo cobertura de MassHealth durante al menos parte de un mes en el 2022. Los requisitos de la Ley de Cuidado de Salud a Bajo Precio (ACA) exigen que usted tenga un seguro de salud que cumpla con normas mínimas llamadas **cobertura esencial mínima**. Los formularios adjuntos brindan información que usted pudiera necesitar para completar su declaración de impuestos federales o estatales.

Formulario 1095-B

El Formulario 1095-B es un formulario del Servicio de Impuestos Internos (IRS). Dicho formulario muestra los meses en los que **usted** cumplió con los requisitos **federales** de cobertura esencial mínima. En la Parte IV del Formulario 1095-B, verá una casilla con una marca debajo de cada mes o mes parcial en el que usted tuvo cobertura de MassHealth en el 2022.

Formulario MA 1099-HC

Nota: Si no era necesario que MassHealth le envíe el Formulario 1099 HC, este no estará en el sobre.

El Formulario MA 1099-HC muestra cada mes en el que **usted** cumplió con los requisitos de **Massachusetts** para la cobertura de atención de salud. En este documento **estatal**, usted verá una casilla con una marca junto a cada mes o mes parcial de cobertura de MassHealth para el 2021. Usted necesitará la información en este formulario si tiene que completar una declaración **estatal** de impuestos. Según las leyes estatales, MassHealth también enviará la información de su MA 1099-HC al Departamento de Hacienda de Massachusetts (DOR) si usted es elegible para recibir dicho documento. Por favor observe: la información sobre la cobertura de salud en su MA 1099-HC podría ser distinta de la indicada en su 1095-B debido a las diferencias en los requisitos federales y estatales para la *cobertura acreditable mínima* (MCC).

Preguntas sobre el Formulario 1095-B del IRS y el Formulario 1099-HC de Massachusetts

Formulario 1095-B del IRS

Si usted necesita pedir un duplicado del Formulario 1095-B a MassHealth, por favor visite masshealthtaxform.com. También puede comunicarse con el Centro de servicio al cliente de MassHealth al (866) 682-6745, o por TDD/TTY: 711 para personas sordas, con dificultad auditiva o discapacidad del habla.

Si tiene preguntas sobre si necesita completar una declaración de impuestos federales, o sobre cómo completar su declaración de impuestos federales con la información del Formulario 1095-B, llame al Centro de Llamadas del IRS al (800) 829-1040 o visite www.irs.gov.

Formulario MA 1099-HC

Si usted tiene preguntas sobre si necesita completar una declaración de impuestos de Massachusetts, o sobre cómo completar su declaración de impuestos estatales con la información del formulario MA 1099-HC, visite el sitio web del DOR de Massachusetts en www.mass.gov/dor/individuals/. También puede encontrar la Planilla HC (*Schedule HC*) en cualquier lugar donde tengan formularios de impuestos de Massachusetts, tal como las bibliotecas públicas.

Si usted tiene preguntas sobre por qué recibió el Formulario MA 1099-HC de MassHealth o si necesitará un duplicado del aviso, llame al Centro de servicio al cliente de MassHealth al (866) 682-6745, o por TDD/TTY: 711.

MassHealth

Puede obtener esta información impresa en letra grande o en braille. Llame al (800) 841-2900, de lunes a viernes, de 8:00 a. m. a 5:00 p. m., o por TDD/TTY: 711.

1095-B/1099-CL-SP (Rev.11/19)