ACA Reporting

JOSHUA RUBICH, AREA VICE PRESIDENT

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Joshua Rubich | Area Vice President
Eileen Strickland | Account Manager

Agenda

- Introduction
- ADA Updates
- Section 6055 & 6056 Reporting
- Summary
- Resources

Introduction

- Patient Protection & Affordable Care Act
  - Passed by Congress and then signed into law by the President on March 23, 2010.
- Just **9 percent of employers** feel extremely or very prepared to address changes to the health care system.*
- Overall, **40 percent of companies** say they understand health care reform extremely or very well.
  - The number drops to **30 percent** for businesses with fewer than 100 employees. The contrast is even greater when broken down by company size.*
- Of the employers surveyed, **45 percent** say they'll rely on brokers or insurance companies to suggest changes to their benefits packages due to the changing health care environment.*

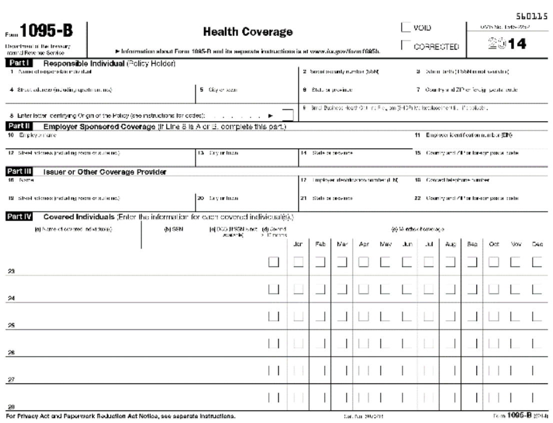
* Source: The 2014 Aflac WorkForces Report

EEOC/ADA and Wellness

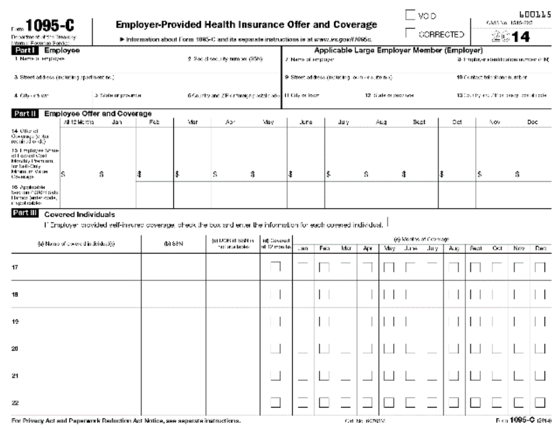
- Three-legged race
  - ADA and HIPAA (as amended by PPACA)
- EEOC provided proposed rules on April 16, 2015 under the ADA regarding employer wellness programs
- Crux of issue: Whether a wellness program is "voluntary"
  - Can still offer incentives (up to 30% of total cost of employee-only coverage)
  - Employees may not be denied coverage under any employer's group health plans or denied particular benefit packages within a group health plan, and employers many not limit the extent of such coverage if the employee chooses to not participate
- Public comments closed June 20, 2015, awaiting final guidance

IRS Reporting

- PPACA added two new reporting requirements related to health insurance coverage:
  - **Section 6055**: enforce compliance with the Individual Mandate
  - **Section 6056**: enforce compliance with the Employer Mandate



Form 1095-B
Health Coverage
VOID
CORRECTED
2014
Part I Responsible Individual (Policy Holder)
Part II Employer Sponsored Coverage
Part III Issuer or Other Coverage Provider
Part IV Covered Individuals



Form 1095-C
Employer-Provided Health Insurance Offer and Coverage
VOID
CORRECTED
2014
Part I Employee
Applicable Large Employer Member (Employer)
Part II Employee Offer and Coverage
Part III Covered Individuals

- All reporting is based on the calendar year, regardless of the company's tax year or the plan year of the health plan

Section 6055 & 6056 Forms Matrix

Employer & Plan Type	Type of Reporting	Who Reports	IRS Transmittal	IRS Return	Employee Statement
Large employer* with fully-insured group health plan	6055	Health insurance issuer or carrier	1094-B	1095-B	1095-B
	6056	Employer	1094-C	1095-C	1095-C (or alternative)
Large employer* with self-insured group health plan covering employees only	Combined 6055 and 6056	Employer	1094-C	1095-C	1095-C (or alternative)
Large employer*with self-insured group health plan covering employees and non-employees (e.g., directors, retirees, or COBRA qualified beneficiaries)	**Employees**: Combined 6055 and 6056	Employer	1094-C	1095-C	1095-C (or alternative)
Multiemployer plans	6055	Plan sponsor	1094-B	1095-B	1095-B
Small employer with fully-insured group health plan	6055	Health insurance issuer or carrier	1094-B	1095-B	1095-B
Small employer with self-insured group health plan	6055	Employer	1094-B	1095-B	1095-B

* A large employer is an employer with 50 or more full-time and full-time equivalent employees

Form 1095-C: Part I

Form **1095-C**
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

▶ Information about Form 1095-C and its separate instructions is at *www.irs.gov/f1095c.*

☐ VOID
☐ CORRECTED

600115
OMB No. 1545-2251
2014

Part I Employee			**Applicable Large Employer Member (Employer)**		
1 Name of employee		2 Social security number (SSN)	7 Name of employer		8 Employer identification number (EIN)
3 Street address (including apartment no.)			9 Street address (including room or suite no.)		10 Contact telephone number
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	11 City or town	12 State or province	13 Country and ZIP or foreign postal code

Information about both the employee and employer

Lines 1-6	Employee information including SSN
Lines 7-13	Employer information
Line 10	Contact telephone number who the recipient may call about the information reported

Form 1095-C: Part II

Part II Employee Offer and Coverage

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$	$	$	$	$	$	$	$	$	$	$	$	$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Line 14	Offer of Coverage, for each month enter a “Series 1” code from the instructions
Line 15	Report the amount of the employee’s share of the lowest cost monthly premium for self-only coverage
Line 16	Safe Harbor Codes, for each month enter a “Series 2” code from the instructions

Information required

- All Applicable Large Employers (self-funded or fully-insured)
  - Line 14 Code Series (Offer of coverage codes)

CODE	DESCRIPTION	HOW COMMON
1A	**MV offered at less than 9.5% of FPL ($93.18/mo)**	**Common**
1B	Offer to EE only	Rare
1C	Offer to EE + Dependent (not spouse)	Rare
1D	Offer to EE + Spouse (non dependent)	Rare
1E	**MV offered to EE, at least MEC offered to spouse & deps**	**Common**
1F	MEC that is not MV offered to employee	Some
1G	Self-funded offered to part-time EE	Rare
1H	**No offer of coverage**	**Common**

Information required

- All Applicable Large Employers (self-funded or fully-insured)
  - Line 16 Code Series 1 (Offer of coverage codes)

CODE	DESCRIPTION
2A	Not employed any day that month
2B	Part-time or termination month when not covered all month
2C	**Enrolled in coverage (Use over any other code if applicable)**
2D	EE in non-assessment period (e.g. waiting period)
2E	Multi-employer plan interim relief
2F	W-2 Safe harbor
2G	FPL safe-harbor
2H	Rate of pay safe harbor
2I	Non-calendar year plan employer transition relief

New Hire

Part II Employee Offer and Coverage	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$	$	$	$	$	$	$100	$100	$100	$100	$100	$100	$100
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2D	2D	2D	[	2C	OR	2F,	2H,	2G	]

Example

- Waiting Period – 1st of the month following 60 days
- Benefits Term – Last Day of Month
- EE only monthly cost for least expensive compliant plan is $100.00 (*affordable*)
- Hired on March 15, 2015
- Enrolled June 1st, 2015 and had coverage until December 31, 2015

Waived Coverage

Part II **Employee Offer and Coverage**

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$ 100	$	$	$	$	$	$	$	$	$	$	$	$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	[2F, 2G, OR 2H]												

Example

- Waiting Period – 1st of the month following 60 days
- Benefits Term – Last Day of Month
- EE only monthly cost for least expensive compliant plan is $100.00 (*affordable*)
- EE on payroll all 12 months of the year

Terminated Employee

Part II Employee Offer and Coverage	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	**1H**
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$	$	$	$	$	$	$100	$100	$100	$100	$100	$100	$100
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2D	2D	2D	2C	2C	2C	2C	2C	2C	**2A**

Employee Information

- Hired on March 15, 2015
- Accepted Family Coverage
- Enrolled June 1st, 2015 and had coverage until December 31, 2015
- ***Termed November 5, 2015***

Form 1095-C: Part III

Self-Funded Only

Part III **Covered Individuals**

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☐

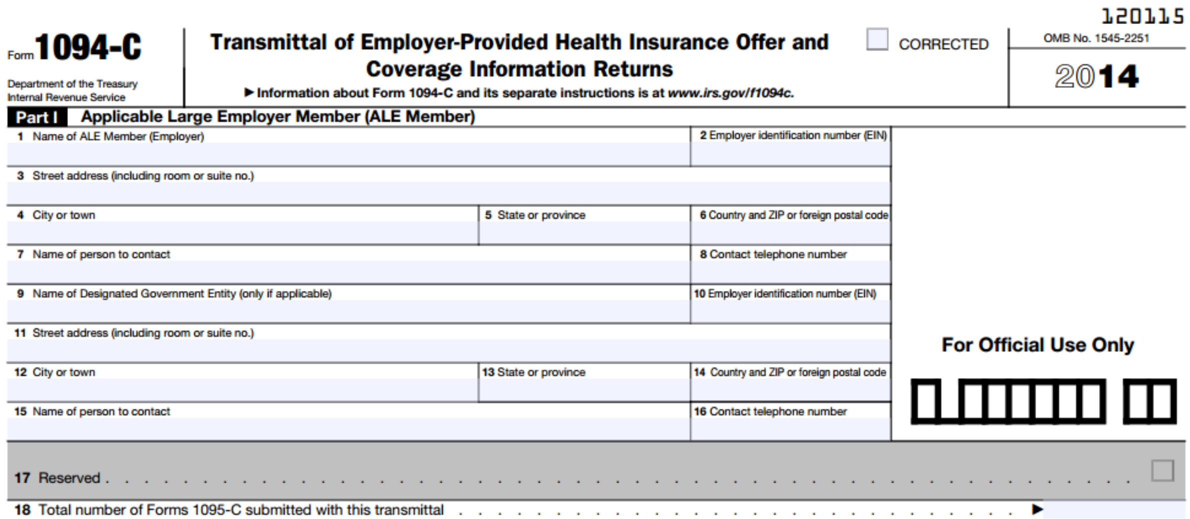
	(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
20				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
21				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
22				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form **1095-C** (2014)

This section only applies to organizations with self-insured plans

Data comes from benefit admin.

Form 1094-C: Part I



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Form **1094-C**

Department of the Treasury
Internal Revenue Service

Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

▶ Information about Form 1094-C and its separate instructions is at *www.irs.gov/f1094c.*

CORRECTED

OMB No. 1545-2251

2014

Part I **Applicable Large Employer Member (ALE Member)**

1 Name of ALE Member (Employer)
2 Employer identification number (EIN)
3 Street address (including room or suite no.)
4 City or town
5 State or province
6 Country and ZIP or foreign postal code
7 Name of person to contact
8 Contact telephone number
9 Name of Designated Government Entity (only if applicable)
10 Employer identification number (EIN)
11 Street address (including room or suite no.)
12 City or town
13 State or province
14 Country and ZIP or foreign postal code
15 Name of person to contact
16 Contact telephone number

For Official Use Only

17 Reserved . . . .

18 Total number of Forms 1095-C submitted with this transmittal . . . . ▶

Attach all 1095-C filings to this transmittal form

Lines 1-6	Employer Information
Lines 7-8	Contact information for individual responsible for addressing IRS questions about the form
Line 9-16	Employer Information
Line 17	Reserved line for IRS use
Line 18	Total number of 1095-Cs submitted

Form 1094-C: Part II

Part II **ALE Member Information**

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions . . . . ☐

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member . . . . ▶

21 Is ALE Member a member of an Aggregated ALE Group? . . . . ☐ **Yes** ☐ **No**

If "No," do not complete Part IV.

22 **Certifications of Eligibility (select all that apply):**

☐ **A.** Qualifying Offer Method ☐ **B.** Qualifying Offer Method Transition Relief ☐ **C.** Section 4980H Transition Relief ☐ **D.** 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature ▶ Title ▶ Date

Lines 19-21	For filings where there are related employers and where each is filing for their own group
Line 22	If an employer files under one of the four optional filing methods, the filer discloses which method they are using

Form 1094-C: Parts III and IV

Form 1094-C (2014) Page **2**

Part III **ALE Member Information—Monthly**

		(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
		Yes	No				
23	All 12 Months	☐	☐			☐	
24	Jan	☐	☐			☐	
25	Feb	☐	☐			☐	
26	Mar	☐	☐			☐	

Column (a)	Did employer offer Minimum Essential coverage to 95% of full-time?
Column (b)	Number of full-time employees
Column (c)	Total number of employees
Column (d)	Is employer part of a controlled group?
Column (e)	Transition relief code • Code A for 50-99 FTE relief • Code B for all other 100+ transition relief
Lines 36-65	Names and EINS of other ALE Members of the Aggregated ALE Group (if applicable)

Reporting Timeframe

Section 6055 & 6056

Report / Disclosure	Due Date
Statement to employees	January 31 of each year
Report to IRS	February 28 of each year March 31 if filed electronically

Penalties

- Penalties range from $50-$250 per return, up to maximum $3 million under Sections 6721 and 6722
- **Special relief for 2015**: no penalties will be imposed as long as the filing entity makes a good faith effort to comply

* Electronic filing is required if filing 250 or more 1095 forms

Summary: Next Steps

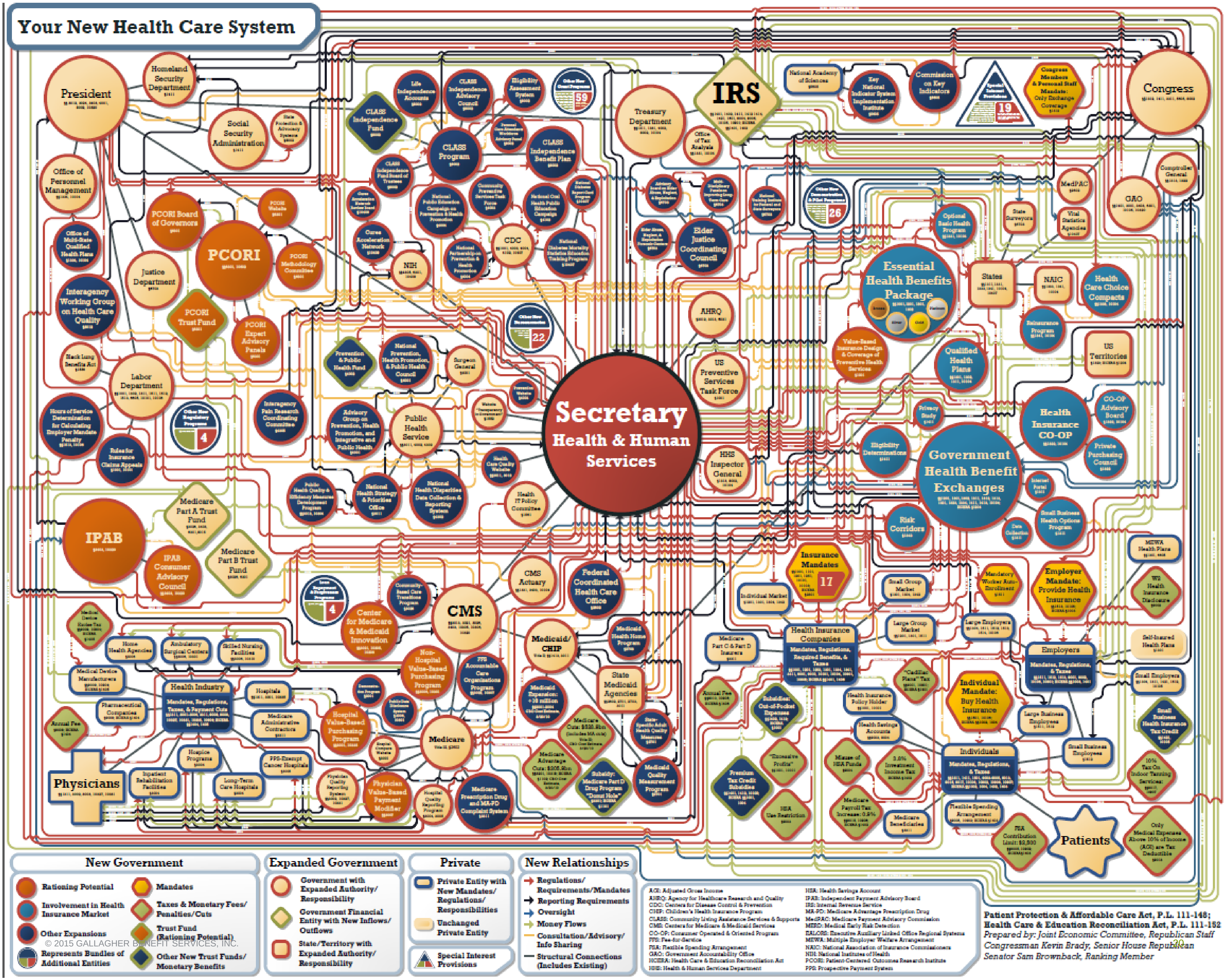
Learn the fundamentals- Review the returns and instructions

Determine which reporting requirements and forms apply to your organization

Identify the information you are required to collect and where you're going to get it, and start collecting it on a monthly basis

Develop a game plan to get information into the system and to handle the filing

Communicate with employees.


Your New Health Care System
President
Homeland Security Department
Social Security Administration
Office of Personnel Management
Office of Multi-State Qualified Health Plans
PCORI Board of Governors
PCORI
PCORI Website
PCORI Methodology Committee
PCORI Trust Fund
PCORI Expert Advisory Panels
Justice Department
Interagency Working Group on Health Care Quality
Black Lung Benefits Act
Labor Department
Hours of Service Determination for Calculating Employer Mandate Penalty
Rules for Insurance Claims Appeals
Other New Regulatory Programs
4
CLASS Independence Fund
Life Independence Accounts
CLASS Independence Advisory Council
Eligibility Assessment System
Other New Grant Programs
59
CLASS Program
CLASS Independence Benefit Plan
CLASS Independence Fund Board of Trustees
Cures Acceleration Network
NIH
CDC
Treasury Department
Office of Tax Analysis
IRS
National Academy of Sciences
Key National Indicator System Implementation Institute
Commission on Key Indicators
Special Interest Provisions
19
Congress Members & Personal Staff Mandate: Only Exchange Coverage
Congress
Elder Justice Coordinating Council
Other New Demonstration & Pilot Programs
26
Optional Basic Health Program
State Surveyors
Vital Statistics Agencies
MedPAC
Comptroller General
GAO
Essential Health Benefits Package
States
NAIC
Health Care Choice Compacts
AHRQ
Other New Bureaucracies
22
Value-Based Insurance Design & Coverage of Preventive Health Services
Reinsurance Program
US Territories
Qualified Health Plans
US Preventive Services Task Force
Prevention & Public Health Fund
National Prevention, Health Promotion, & Public Health Council
Surgeon General
Interagency Pain Research Coordinating Committee
Advisory Group on Prevention, Health Promotion, and Integrative and Public Health
Public Health Service
Secretary
Health & Human Services
HHS Inspector General
Privacy Study
Eligibility Determinations
Health Insurance CO-OP
CO-OP Advisory Board
Private Purchasing Council
Government Health Benefit Exchanges
Internet Portal
Risk Corridors
Data Collection
Small Business Health Options Program
National Health Strategy & Priorities Office
National Health Disparities Data Collection & Reporting System
Health IT Policy Committee
Medicare Part A Trust Fund
Medicare Part B Trust Fund
IPAB
IPAB Consumer Advisory Council
CMS Actuary
Federal Coordinated Health Care Office
Insurance Mandates
17
Individual Market
Small Group Market
Mandatory Worker Auto-Enrollment
Employer Mandate: Provide Health Insurance
MEWA Health Plans
CMS
Center for Medicare & Medicaid Innovation
Medicaid/CHIP
Medicaid Health Home Program
Large Group Market
Large Employers
Medicare Part C & Part D Insurers
Health Insurance Companies
Mandates, Regulations, Required Benefits, & Taxes
Employers
Mandates, Regulations, & Taxes
Self-Insured Health Plans
Small Employers
Home Health Agencies
Ambulatory Surgical Centers
Skilled Nursing Facilities
Medical Device Manufacturers
Pharmaceutical Companies
Health Industry
Mandates, Regulations, Taxes, & Payment Cuts
Hospitals
Medicare Administrative Contractors
Non-Hospital Value-Based Purchasing Program
ACO Accountable Care Organizations Program
Hospital Value-Based Purchasing Program
Medicare
State Medicaid Agencies
Annual Fee
Subsidies: Out-of-Pocket Expenses
"Cadillac Plans" Tax
Individual Mandate: Buy Health Insurance
Health Insurance Policy Holder
Health Savings Accounts
Large Business Employees
Small Business Employees
Small Business Health Insurance Tax Credit
Physicians
Hospice Programs
Inpatient Rehabilitation Facilities
Long-Term Care Hospitals
PPS-Exempt Cancer Hospitals
Physician Value-Based Payment Modifier
Medicare Prescription Drug and MA-PD Complaint System
Medicare Advantage
Subsidy: Medicare Part D Drug Program "Donut Hole"
Medicaid Quality Measurement Program
Premium Tax Credit Subsidies
"Excessive Profits"
HSA Use Restriction
Misuse of HSA Funds
3.8% Investment Income Tax
Medicare Payroll Tax Increase: 0.9%
Medicare Beneficiaries
Individuals
Mandates, Regulations, & Taxes
Flexible Spending Arrangement
FSA Contribution Limit: $2,500
Patients
10% Tax On Indoor Tanning Services
Only Medical Expenses Above 10% of Income (AGI) are Tax Deductible
New Government
Rationing Potential
Mandates
Involvement in Health Insurance Market
Taxes & Monetary Fees/ Penalties/Cuts
Other Expansions
Trust Fund (Rationing Potential)
Represents Bundles of Additional Entities
Other New Trust Funds/ Monetary Benefits
Expanded Government
Government with Expanded Authority/ Responsibility
Government Financial Entity with New Inflows/ Outflows
State/Territory with Expanded Authority/ Responsibility
Private
Private Entity with New Mandates/ Regulations/ Responsibilities
Unchanged Private Entity
Special Interest Provisions
New Relationships
Regulations/ Requirements/Mandates
Reporting Requirements
Oversight
Money Flows
Consultation/Advisory/ Info Sharing
Structural Connections (Includes Existing)
AGI: Adjusted Gross Income
AHRQ: Agency for Healthcare Research and Quality
CDC: Centers for Disease Control & Prevention
CHIP: Children's Health Insurance Program
CLASS: Community Living Assistance Services & Supports
CMS: Centers for Medicare & Medicaid Services
CO-OP: Consumer Operated & Oriented Program
FFS: Fee-for-Service
FSA: Flexible Spending Arrangement
GAO: Government Accountability Office
HCERA: Health Care & Education Reconciliation Act
HHS: Health & Human Services Department
HSA: Health Savings Account
IPAB: Independent Payment Advisory Board
IRS: Internal Revenue Service
MA-PD: Medicare Advantage Prescription Drug
MedPAC: Medicare Payment Advisory Commission
MERD: Medical Early Risk Detection
EALORS: Executive Auxiliary Linked Office Regional Systems
MEWA: Multiple Employer Welfare Arrangement
NAIC: National Association of Insurance Commissioners
NIH: National Institutes of Health
PCORI: Patient-Centered Outcomes Research Institute
PPS: Prospective Payment System
Patient Protection & Affordable Care Act, P.L. 111-148;
Health Care & Education Reconciliation Act, P.L. 111-152
Prepared by: Joint Economic Committee, Republican Staff
Congressman Kevin Brady, Senior House Republican
Senator Sam Brownback, Ranking Member

Resources

Arthur J. Gallagher Healthcare Reform Website	Multiple employer tool kits on variable hour employees, IRS reporting, disclosures and more
	http://www.ajg.com/knowledge-center/healthcare-reform/

Joshua Rubich

Area Vice President

Arthur J. Gallagher

Joshua_Rubich@ajg.com

407-563-3574

The intent of this analysis is to provide general information regarding the provisions of current healthcare reform legislation and regulation. It does not necessarily fully address all your organization's specific issues. It should not be construed as, nor is it intended to provide, legal advice. Your organization's general counsel or an attorney who specializes in this practice area should address questions regarding specific issues.