

Reporting Requirements - 6055 FAQs

Summary

On March 10, 2014, the U.S. Department of the Treasury and IRS published final rules to implement the information reporting provisions for insurers and certain employers under the Affordable Care Act (ACA) that take effect in 2015. Employers who provide minimum essential coverage (MEC) during a calendar year are required to report to the IRS certain information about individuals covered by MEC and also to provide a statement to those individuals.

Section 6055 reporting is the required reporting to the IRS of information relating to covered individuals that have been provided MEC by health insurance issuers (issuers), certain employers, and other entities that provide MEC. A statement disclosing MEC information must also be furnished to responsible individuals (i.e., subscriber).

Dependents

In the case of a dependent (spouses, adult child) who is over 18 years old, does that mean we have to generate a separate statement for that dependent in case they file a separate tax return?

Under IRS rules, UnitedHealthcare is required to furnish statements to responsible individuals. The term “responsible individual” generally means the primary insured or other person named on an application who enrolls one or more individuals in minimum essential coverage (MEC). While the rules do not require that statements be furnished to other individuals covered under the policy, the IRS has indicated that responsible individuals should provide a copy of Form 1095-B to individuals covered under the policy if they request it for their records.

Forms

What is the difference between Form 1095-B and Form 1095-C?

Both forms are similar since they both are used to report health coverage information to the IRS and to furnish information to responsible individuals about their coverage. Both forms contain identifying information about the employee or policy holder (i.e., the responsible individual) that is the primary subscriber of the minimum essential coverage (MEC). In addition, in the case of employer-provided coverage, both forms include the name, address, phone number and Employer Identification Number (EIN) of the employer sponsoring the coverage. Finally, both forms include identifying information about the health insurance issuer or other entity that provides the coverage on behalf of the employer. The coverage information is used by employees (and family members) to report on their tax returns that they had MEC for some or all months of the year.

The primary difference between the two forms is that Form 1095-C is used by employers with 50 or more covered full-time employees (including full-time equivalents) that are subject to the employer responsibility provisions. Form 1095-C contains information about the offer of health insurance coverage made to employees, the employee’s share of the lowest cost premium and other information related to the employer responsibility provisions. Information from Form 1095-C will be used by individuals that purchased health insurance coverage through an Individual Health Insurance Marketplace to determine if they are eligible for a premium tax credit. The table below shows an at-a-glance summary of the forms.

Individual/Group Type	Required Form 6055 Reporting	Required Form 6056 Reporting (Employer Responsibility)
Individual (on-Marketplace)	N/A (1095-A sent by Marketplace)	N/A
Individual (off-Marketplace)	Form 1095-B (sent by UnitedHealthcare)	N/A
Small group fully insured (both SHOP Marketplace and off-Marketplace)	Form 1095-B (sent by UnitedHealthcare)	N/A
Small group self-funded	Form 1095-B (sent by employer)	N/A
Applicable large employer (fully insured)*	Form 1095-B (sent by UnitedHealthcare)	Form 1095-C Sections I, II
Applicable large employer (self-funded)	Combined 6055 + 6056 report on Form 1095-C (sent by ALE)	Form 1095-C All sections (6055 + 6056)

*Employees of fully insured ALEs will receive two forms: Form 1095-B from UnitedHealthcare and Form 1095-C from their employer. Subscribers do not have to wait for either Form 1095-B or 1095-C to file their individual tax return. Subscribers may use other sources of documentation, in lieu of the Form 1095 information returns, to prepare their tax return. This includes W-2s, payroll statements, insurance cards, or EOBs.

Form 1095-B is the return used for reporting MEC under section 6055 to the IRS and for furnishing coverage information to covered individuals. (Form 1095-B is transmitted to the IRS using Form 1094-B.) Insurance issuers, in both the individual and group markets, must file Form 1095-B, except in the case of coverage obtained through the Individual Health Insurance Marketplaces. (Issuers file Form 1095-B for coverage obtained through a Small Business Health Options Program (SHOP).)

- Self-funded employers that do not have 50 or more full-time employees (including full-time equivalent employees) and are not subject to the IRS shared responsibility provisions use Form 1095-B to report their MEC to the IRS. Other entities that provide MEC such as sponsors of multiemployer plans, and providers of government-sponsored coverage (Medicare, Medicaid, CHIP, TRICARE) will also report their MEC to the IRS on Form 1095-B.

Form 1095-C is to be used by employers with 50 or more full-time employees (including full-time equivalent employees) known as applicable large employer (ALE) members to report information required under section 6055 and 6056 to the IRS. Form 1095-C must be furnished to all full-time employees – those covered under the employer’s plan as well as those who elected not to accept coverage. (Form 1095-C is transmitted to the IRS using Form 1094-C.) This form is required to be used by ALEs for the combined reporting of MEC (under section 6055) and the offer of coverage (under section 6056) to the IRS. The form is used by:

- ALE members that sponsor a self-funded plan: The employer completes Parts I and III of the 1095-C for any employee that enrolls in the health coverage, whether or not the employee is a full-time employee. If the employee is a full-time employee, the employer must also complete Part II. Part II of the form includes information about the offer of coverage that was made to the employee, the employee’s share of the lowest cost monthly premium, and other employer responsibility information.
- ALE members that provide fully insured coverage: The employer completes Parts I and II of Form 1095-C, but does not complete Part III of the form. Part III of the form reports information about the MEC and is reported separately to the IRS by the entity providing the coverage, such as the health insurance issuer.

Will fully insured employers receive a copy of the Form 1095-B sent to responsible individual?

No. Fully insured employer groups will not receive copies of the Form 1095-B that are furnished to responsible individuals. The Form 1095-B is filed with the IRS and furnished to responsible individuals. Issuers such as UnitedHealthcare are not required to send copies to the employer of the Form 1095-B furnished to responsible individuals.

How can a member obtain an additional copy of Form 1095-B?

Members may access the member portal (where available) to obtain a copy. They may also call the phone number for customer service of the back of their health plan ID card.

Health Reimbursement Account (HRA)

What happens when an individual is covered under two plans that are minimum essential coverage (MEC) provided by the same employer? For example, many customers have a self-funded major medical plan and a self-funded HRA. Does that mean two Forms 1095-B must be filed with the IRS?

No. When an individual is covered by two plans that are MEC provided by the same employer (or other coverage provider such as an issuer), the employer is only required to report on one type of MEC for that individual.

What happens in the case of a fully-insured group health plan where the employer also sponsors a self-funded plan like an HRA? Will two Forms 1095-B have to be filed?

No. An employer with an insured group health plan and a self-funded HRA is not required to report the HRA coverage if the individual is only eligible for the HRA because the individual is enrolled in the fully insured group health plan. Under this rule, the issuer must report on the fully insured coverage and the self-funded employer does not have to report on the HRA.

What happens when the individual is covered under one plan that is MEC offer by his or her employer and another plan through his or her spouse's employment?

Under these scenarios, since the two types of coverage are not offered by the same employer (or other coverage provider such as an issuer), the special rules do not apply and two Forms 1095-B would have to be issued.

Issuers and Self-funded Employers

What information must be reported to the IRS?

Section 6055 reporting requires those groups that provide MEC (e.g., insurers, self-funded employers) to file an informational return to the IRS that provides basic identifying information about persons that have been provided MEC, and the months for which the person was covered for at least one day.

Whose compliance obligation is it to submit reports to the IRS?

UnitedHealthcare is required to submit reports on behalf of fully insured groups. Self-funded groups of 50 or more are required to submit reports for themselves.

What information about an individual needs to be reported on the information return?

Section 6055 requires the name, address, and taxpayer identification numbers (TINs) for all covered individuals (including spouses and dependents) is reported to the IRS. The report must also include the months for which the individual was enrolled in coverage for at least one day. This information allows the IRS to verify that a particular individual has MEC. In the case of fully insured group health coverage, issuers are also required to report the name of the employer, address and Employer Identification Number (EIN).

Why does this information need to be reported to the IRS?

The information reported to the IRS under section 6055 is used to verify that the individual has been provided with MEC and has satisfied the individual mandate for the prior calendar year. Responsible individuals use this information to avoid paying an additional tax when they prepare their tax returns.

When do the applicable forms need to be submitted to the IRS?

Insurers (in the case of fully insured group plans) and employers or other sponsors (in the case of self-funded plans) must make annual filings to the IRS and furnish statements to individuals reflecting the months during the preceding calendar year that an individual and his or her dependents had at least MEC under the group health plan. Reports are due to the IRS by February 28 or March 31 (if filing electronically) of the year following the calendar year when MEC was provided.

If a fully insured group terminates their medical plan with UnitedHealthcare part of the way through a year, are they still required to report coverage under section 6055 reporting?

The IRS requires that UnitedHealthcare issue a Form 1095-B for any MEC that we provide to a fully-insured member during a calendar year, even if it is just for one day.

However, because the customer is fully insured, they have no responsibility for the 6055 reporting. Under the IRS regulations, UnitedHealthcare, as their carrier for part of the year, is required to do the reporting for those months. In a partial year situation, the Forms 1095-B contain boxes we will populate to indicate which months the members had coverage.

An applicable large employer has a policy year plan that renews on May 1. Since the plan does not renew on a calendar year, would the 6055 and 6056 reporting requirements begin on May 1 or January 1 of the year following the calendar year when coverage was provided?

Section 6055 and 6056 reporting is based on the tax (calendar) year regardless of a plan's policy year.

How are the reports submitted to the IRS?

Reports can be submitted to the IRS in either paper format by February 28 or electronic format by March 31 of the year following the calendar year when MEC was provided. Groups that file 250 or more returns are required to file electronically.

When do statements need to be furnished to responsible individuals (subscribers)?

Statements must be furnished to responsible individuals on or before January 31 of the year following the calendar year in which MEC was provided.

What information must be reported to responsible individuals?

Section 6055 requires that entities that provide MEC also furnish responsible individuals (i.e., subscribers) with a statement that includes the information that was provided to the IRS as well as the phone number for the entities' contact person. Responsible individuals will use this information to avoid paying an additional tax when they prepare their tax returns. Statements must be furnished to responsible individuals no later than January 31 of the year following the calendar year when MEC was provided.

Is the employer required to report coverage information on behalf of COBRA or retiree plan participants?

Section 6056 reporting is specific to full-time employees. For this population, the employer is not subject to the employer mandate because COBRA beneficiaries and retirees are not employed by the group.

However, for 6055 reporting, COBRA beneficiaries and retirees are subject to the individual mandate. As long as the COBRA or retiree plan is minimum essential coverage, the issuer (for fully insured plans) or plan sponsor (for self-funded plans) must furnish a form 1095 to COBRA and/or retiree plan participants.

What type of coverage is considered MEC?

MEC is generally any government or employer-sponsored health plan, or individual health insurance coverage, except for excepted benefits and similar limited coverage. MEC includes coverage from one of the following sources:

- Medicare
- Medicaid or the Children's Health Insurance Program (CHIP)
- TRICARE
- Veteran's health program
- An employer's plan, including grandfathered plans, fully insured or self-funded
- Health insurance plan purchased through the Health Insurance Marketplaces, also called Exchanges
- Individual health insurance coverage purchased outside of the Exchanges
- A grandfathered health plan in effect prior to 2014
- Such other health benefit coverage, such as State health benefits risk pool, as the Secretary of Health and Human Services and Secretary of the Secretary of the Treasury, recognize

Does Medicare, Medicaid, Children's Health Insurance Program (CHIP) coverage need to be reported by the issuer?

No. Under the final regulations, the responsible government department or agency and not the issuer is the entity responsible for reporting coverage to the IRS.

Do supplemental plans need to be reported?

It depends.

- Excepted benefits are not MEC and not subject to reporting. Excepted benefits include: long-term care, accident, disability income, liability and supplemental liability insurance, automobile medical payments, and workers' compensation insurance. It also includes coverage for a specific disease or illness or hospital indemnity insurance. Finally, "stand-alone" dental or vision plans are also excepted benefits.
- MEC that supplements a government-sponsored program, such as Medicare or TRICARE is also not subject to reporting. For example, Medicare Supplemental products, such as Medicare Supplemental coverage provided by UnitedHealthcare to AARP members (sometimes called Medigap) is exempt from the reporting obligation.
- MEC that supplements a primary plan from the same plan sponsor is not subject to reporting when the plan sponsor reports on the primary coverage. The plan sponsor is only required to report one type of MEC. (But see special rule in the case of coverage that is not from the same plan sponsor below.).

Do wellness programs need to be reported?

Wellness programs that are an element of other MEC (such as wellness programs offering reduced premiums or cost-sharing under a group health plan) are not subject to the reporting obligation.

Marketplaces

If UnitedHealthcare coverage is obtained from a Marketplace, does that need to be reported by UnitedHealthcare?

Issuers are not required to report individual coverage obtained through an Individual Marketplace. Issuers are, however, required to report coverage obtained through the Small Business Health Options Program (SHOP).

Social Security Number (SSN) Solicitation

What methods of contact may be used to obtain an SSN?

Section 6055 reporting is subject to the same rules as other information reporting such as the Form 1099. The reporting entity may generally make an SSN solicitation using the following contact methods:

- orally (by phone or in person).
- in writing (including using an application).
- by electronic means such as email.

How often must a solicitation be made to obtain an SSN and fulfill reasonable efforts?

The reporting entity makes an initial solicitation at the time the relationship with the payee is established. In the case of an issuer, this may be when the individual is first covered. In the case of a self-funded plan, this may be when the individual is first hired. However, the reporting entity is not required to make this initial solicitation if it already has the payee's SSN and uses that SSN for all relationships with the payee.

If the reporting entity does not receive the SSN, the first annual solicitation is generally required by December 31 of the year in which the relationship with the payee begins (January 31 of the following year if the relationship begins in December). Generally, if the SSN is still not provided, a second solicitation is required by December 31 of the following year. If an SSN is still not provided, the reporting entity has acted in a responsible manner and need not continue to solicit a SSN.

For example, a self-funded employer that makes an unsuccessful initial solicitation for an SSN in October, 2016 must make an additional solicitation by December 31, 2016. Assuming that request is also unsuccessful, the self-funded employer would not be penalized if its section 6055 reporting submitted in early 2017 reported a date of birth in place of the SSN for the individual in question. One additional solicitation must be made by December 31, 2017, to have acted in a responsible manner.

Inclusion of the name of the covered individual and the SSN means that the IRS is able to compare information disclosed on the section 6055 report with the individual's tax return (Form 1040).

The IRS has indicated that it will provide guidance to foreign employers without EINs as part of future rulemaking.

What if an individual does not have an SSN?

When UnitedHealthcare is provided with information in writing that an individual does not have an SSN, we are not required to solicit the SSN. In those circumstances, we are permitted to report the coverage with a date of birth (in lieu of an SSN).

Can coverage be terminated if an individual does not provide an SSN?

No. The rule prohibits the termination of coverage if an SSN is not provided.

Will UnitedHealthcare enroll new members who do not have an SSN?

Federal law requires that we solicit SSNs at the time of enrollment. We believe that covered dependents have a strong incentive to provide us with a SSN so they can establish that they have health insurance and avoid the individual shared responsibility payment.

In the case of new enrollees that do not have an SSN, UnitedHealthcare has a process that allows them to enroll, but asks that they furnish us with a written statement explaining that they do not have an SSN.

Will UnitedHealthcare provide SSN information (collected through SSN solicitation associated with 6055 reporting) to employers?

No. SSNs are personally identifiable information (PII), protected by state and federal privacy laws. We are required by law to make this solicitation to comply with the IRS requirement that we report minimum essential coverage using the individual's SSN. As part of the solicitation, we assured our subscribers that we would restrict access to their SSN. Moreover, we did not inform subscribers that we would share their dependents' SSNs with their employer. Because we do not believe our subscribers have authorized the disclosure of their dependents' SSNs to the subscriber's employer, we are unable to share these SSNs with employer groups.

What is a taxpayer identification number (TIN)?

A TIN is an identification number used by the IRS to administer tax law. It can be issued by either the Social Security Administration or the IRS.

For example, the Social Security Administration issues SSNs which are a type of TIN. The IRS issues all other TINs which include Employer Identification Numbers (EINs), Individual Taxpayer Identification Numbers (ITINs) and Adoption Identification Numbers (ATINs).

What is an individual taxpayer identification (ITIN) number and when would it be used?

An ITIN, or individual taxpayer identification number, is a tax processing number only available for certain non-resident and resident aliens, their spouses, and dependents who cannot get an SSN. It is a nine-digit number beginning with the number "9" and formatted like an SSN (NNN-NN-NNNN).

Taft Hartleys and Employer Association Plans

How will UnitedHealthcare handle Section 6055 reporting on behalf of "Taft Hartley" clients?

The IRS has published the 2015 instructions to the Form 1095-B, as well as draft instructions to the recipient, which address collectively bargained multiemployer plans, more commonly known as Taft Hartley plans. Those instructions recognize the fact that Taft Hartley plans may not have access to information about the employers participating in the plan as part of the collective bargaining agreement (CBA). Accordingly, the instructions indicate that Part II Employer Information should not be included as part of the Form 1095-B. The instructions to the recipient contain information explaining to members receiving their coverage from these plans that they will not receive employer information in Part II of the Form 1095-B.

UnitedHealthcare prepares Form 1095-B on behalf of its members in fully-insured Taft Hartley plans consistent with the 2015 instructions and without Part II employer information. Although self-funded Taft Hartley plans also report coverage on the Form 1095-B, we cannot prepare the Form 1095-B for these customers. Instead, upon request, we furnish these customers with eligibility reports that can be used to prepare the required form.