

# What you need to know about minimum essential coverage reporting



## Overview

Under the Affordable Care Act (ACA), most U.S. citizens and those lawfully present in the U.S. are required to have health care coverage or be subject to a tax penalty. This is commonly referred to as the individual mandate. To track compliance with this requirement, the ACA added Section 6055 to the Internal Revenue Code.

According to Section 6055, health plan issuers such as Kaiser Permanente that provide fully insured group coverage must report to the IRS annually on the coverage and months of coverage for all enrolled individuals. Beginning in 2016 for tax year 2015, Kaiser Permanente must:

- send IRS Form 1095-B statements to subscribers by January 31 annually for subscribers to use as proof of minimum essential coverage
- transmit 1094-B and 1095-B data to the IRS by March 31 annually for the IRS to use to reconcile with individual tax filings and confirm that taxpayers have met the individual mandate

The 1095-B form requires your client's federal employer identification number (EIN) be reported. We need their help to comply with these IRS reporting requirements. If we don't currently have your client's EIN, we'll mail your client a letter to ask them to fill out an EIN request form and mail it back to us by December 1, 2015. No action will be required from you. Kaiser Permanente must make good-faith attempts to solicit missing Taxpayer Identification Numbers (TINs), which for most members is their **Social Security number (SSN)**.

Other key regulations that require the collection of SSNs include:

- Medicare, Medicaid, and SCHIP Extension Act of 2007 require group health plan insurers to report SSNs in order for Medicare to coordinate payments with other insurance benefits.
- The Federal Trade Commission’s Red Flags Rule requires all creditors – including health care organizations such as Kaiser Permanente that meet the definition of “creditor” – to collect SSNs to combat medical identity theft and to minimize the financial impact of fraud.

## What Kaiser Permanente does

### As Kaiser Permanente collects the missing member TINs or corrects invalid TINs (most commonly SSNs), where will this information be stored?

After being used for the creation of the members’ 1095-B statements, the data will be stored in a secured repository and won’t be used to update our membership systems.

### After a subscriber sends their TIN, how will Kaiser Permanente protect this information?

For the purposes of minimum essential coverage reporting, Kaiser Permanente stores the TINs (for most members, their SSNs) in a secured repository that is access-protected and behind Kaiser Permanente’s firewall.

Whenever possible, we use the Medical Record number/Health Record number to identify members. We take precautions to only allow employees access to protected health information, including SSNs, when it’s needed to perform their jobs.

## Form 1095-B for employers

### My client’s company has multiple legal entities or EINs. I understand that Kaiser Permanente needs their EIN to report it to the IRS. Which one should they provide?

Employers should provide to Kaiser Permanente **the EIN of the legal entity employing the employee**, regardless of how the counting of employees is done for determining compliance with the employer shared responsibility provision of the ACA.

**Please note:** Kaiser Permanente will also accept the EINs of companies **within** a legal entity because that information helps us identify the EIN of the legal entity employing the employee.

## Can you confirm that Kaiser Permanente will be submitting 1095-B reporting and mailing forms to employees and dependents enrolled in Kaiser Permanente coverage?

Kaiser Permanente is set to send 1095-B forms to our subscribers via U.S. mail from January 1 to January 31, 2016. Currently, we're exploring the ability to have employees opt in to receive 1095-B forms electronically.

## Who will answer questions from subscribers about the 1095-B form?

Our call centers will respond to questions from subscribers. We have call centers across our regions, and members will be directed to contact the nearest ones. We're also working with our Member Services teams to assist walk-in subscribers who might have questions. For a detailed list of numbers to call, see below.

Area	Phone	Hours
California	800-464-4000	7 days, 24 hours (closed holidays)
Colorado – Denver/Boulder	303-338-3800	Monday through Friday, 8 a.m. to 5 p.m.
Colorado – Northern Colorado	800-632-9700	Monday through Friday, 8 a.m. to 5 p.m.
Colorado – Southern Colorado	888-681-7878	Monday through Friday, 8 a.m. to 5 p.m.
Georgia	888-865-5813	Monday through Friday, 7 a.m. to 7 p.m.
Hawaii – Oahu	808-432-5955	Monday through Friday, 8 a.m. to 5 p.m.
Hawaii – outside Oahu	800-966-5955	Monday through Friday, 8 a.m. to 5 p.m.
Maryland and Virginia	800-777-7902	Monday through Friday, 7:30 a.m. to 9 p.m.
Washington, D.C. metro area	301-468-6000	Monday through Friday, 7:30 a.m. to 9 p.m.
Oregon – Portland area	503-813-2000	Monday through Friday, 8 a.m. to 6 p.m.
Oregon/Washington	800-813-2000	Monday through Friday, 8 a.m. to 6 p.m.
TTY for the hearing/ speech impaired	711	

## In 2016, will Kaiser Permanente provide 1095-B forms to members who were covered for a partial year?

Yes. Even if the member was only covered for a day, it's considered a full month of coverage.

## What's the difference between Sections 6055 and 6056 of the Internal Revenue Code?

These two sections of the Internal Revenue Code apply to two different provisions of the ACA:

### Section 6055:

- ▶ Under the ACA, most U.S. citizens and those lawfully present in the U.S. are required to have health care coverage or be subject to a potential tax penalty. This provision is referred to as the **individual mandate**.
- ▶ To track compliance with this requirement, the ACA added **Section 6055** to the Internal Revenue Code. It requires issuers of minimum essential coverage to annually:
  - provide a 1095-B form to covered subscribers to use as proof that they've had minimum essential coverage
  - transmit 1094-B and 1095-B data to the IRS to use to reconcile with individual tax filings and to confirm taxpayers have met the individual mandate

### Section 6056:

- ▶ Under the ACA, applicable large employers (those with 50 or more full-time employees and/or FTE equivalents) are required to offer health coverage to full-time employees that is both affordable and provides minimum value. This provision is referred to as **employer shared responsibility**.
- ▶ To track compliance with this requirement, the ACA added **Section 6056** to the Internal Revenue Code. It requires applicable large employers to annually:
  - provide a 1095-C form to full-time employees to use to prove that they're eligible for a premium tax credit
  - transmit 1094-C and 1095-C data to the IRS to use to confirm employers have met their requirements to offer affordable health coverage that meets the minimum value standard under employer shared responsibility

## Member outreach campaign on missing or invalid SSNs

### As Kaiser Permanente collects the missing TINs, how will the data be used?

SSNs (and other TINs) collected via member outreach won't be used to populate any of our membership systems. We'll use SSNs to:

- report to the IRS that members have health coverage with Kaiser Permanente
- send members a Health Coverage statement (Form 1095-B), which they'll need for filing their federal income tax return in 2016

We may also use their SSNs to report information about their coverage to the federal government – such as reporting for Medicare secondary coverage purposes if they're 44 or older and enrolled in fully insured group coverage. We may also use this information for any other purpose required or permitted by applicable law.

### Can you send me the list of the names of all of my client's employees who have missing or invalid SSNs?

We're not planning to share this data with employer groups or brokers because we've committed to members that SSNs (and other TINs) will only be communicated to third parties when Kaiser Permanente has a legal obligation to report such information.

### How many of my client's employees have missing or invalid SSNs?

We're not planning to share this data with employer groups or brokers.

### Can you help me clean up any duplicate or invalid SSNs that are in my systems? Can you share the data with me so I can update my systems?

We're not planning to share this data with employer groups or brokers because we've communicated to members that SSNs (and other TINs) will only be communicated to third parties when Kaiser Permanente has a legal obligation to report such information.

### What happens if an employee doesn't have an SSN or other TIN, or doesn't want to provide it to Kaiser Permanente?

We must comply with the Internal Revenue Code regulations and make subsequent inquiries to get this information.

## I don't want Kaiser Permanente to mail a letter to my client's employees asking for their SSNs. Can you honor my request? And if you place a hold on the letter, what's the next step you'll take to collect SSN information from my client's employees who have missing or invalid SSNs?

We must comply with the requirements regarding the collection of TINs and must make the good-faith attempts mandated by the Internal Revenue Code regulations. To stay in compliance with the Internal Revenue Code guidelines, we can't accept any offers to have another party collect in our stead unless such party is acting as an agent of Kaiser Permanente.

We're conducting monthly outreaches to groups of subscribers with missing and invalid SSNs. If we realize there are still remaining subscribers with missing or invalid SSNs, we'll reach out to them.

## What does my group need to do to comply with ACA annual reporting requirements?

Please visit [account.kp.org](http://account.kp.org) for information on what groups need to do.

## Do you have a schedule for when you'll conduct the outreach?

Yes. It's posted on [account.kp.org](http://account.kp.org).

## Where can subscribers get more blank forms to send Kaiser Permanente their SSNs?

The Health Coverage Information Request Form is available to download on [kp.org/proofofcoverage](http://kp.org/proofofcoverage).

## How does Kaiser Permanente manage the process when members bring forms in to our local Member Services departments instead of sending them?

Local Member Services departments collect the completed SSN forms and mail them to the Kaiser Permanente minimal essential coverage team via U.S. mail.

This document is designed to provide a general overview of portions of the Affordable Care Act and should not be relied upon as legal or tax advice. Federal and state laws and regulations are subject to change. Seek professional advice regarding how the new requirements will affect your particular circumstances from an independent tax advisor or legal counsel.

Information may have changed since release date.

Services covered under your Kaiser Permanente health plan are provided and/or arranged by Kaiser Permanente health plans: Kaiser Foundation Health Plan, Inc., in Northern and Southern California and Hawaii • Kaiser Foundation Health Plan of Colorado • Kaiser Foundation Health Plan of Georgia, Inc., Nine Piedmont Center, 3495 Piedmont Road NE, Atlanta, GA 30305, 404-364-7000 • Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., in Maryland, Virginia, and Washington, D.C., 2101 E. Jefferson St., Rockville, MD 20852 • Kaiser Foundation Health Plan of the Northwest, 500 NE Multnomah St., Suite 100, Portland, OR 97232.