

THE JEFFERSON HEALTH PLAN UPDATE

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WELCOME!

As another way to reach out to current Jefferson Health Plan groups and communicate on issues that directly impact our members, we will be providing updates on what is happening in the consortium.

If you have items that you would like to see in these updates, feel free to let us know!



IRS Issues Delay in Requirements to Furnish Forms 1094 and 1095

On December 28, 2015, IRS issued Notice 2016-4, which extends the due dates for the 2015 information reporting requirements, both furnishing to individuals and filing with the Internal Revenue Service, for insurers, self-insuring employers, and certain other providers of minimum essential coverage under I.R.C. § 6055, and the information reporting requirements for applicable large employers under I.R.C. § 6056.

Specifically, this Notice extends the due date for furnishing the 2015 Form 1095-B and Form 1095-C to individuals, it also extends the due date for filing with the IRS the 2015 Form 1094-B and Form 1095-B, and the 2015 Form 1094-C and Form 1095-C.

The new deadlines are as follows:

Copies furnished to individuals

From January 31, 2016 to March 31, 2016

Copies furnished to the IRS

From February 29, 2016 to May 31, 2016 (if not filing electronically)

From March 31, 2016 to June 30, 2016 (if filing electronically)

The IRS is prepared to accept filings in January, 2016.

This Notice also provides guidance to individuals who, as a result of these extensions, might not receive a Form 1095-B or Form 1095-C by the time they file their 2015 tax returns.

Form 1095-C Codes for Employees Waiving Coverage

Line 16 of Form 1095 provides the IRS with information to administer employer mandate penalties, and the codes provided do not include a specific code for employees who may have waived coverage. Initially we instructed groups they may want to leave line 16 blank, we have since determined that it would be best practice for the employer to indicate a safe harbor code (either 2F, 2G or 2H) even when an employee is waiving coverage.

Therefore, Line 14 will demonstrate the offer of coverage was made to the employee and Line 16 confirms the coverage was affordable despite the employee's decision to not enroll in the coverage offered.

Cadillac Tax Delayed Until 2020

The Cadillac Tax originally scheduled for implementation effective January 1, 2018, has been delayed by two years. The provision delaying the tax is contained in the \$1.1 trillion omnibus spending bill approved by both houses of Congress and signed December 18th by President Obama.

The excise tax would have imposed a 40 percent levy on the portion of group health plan premiums that exceed \$10,200 for single coverage and \$27,500 for family coverage for the 2018 tax year.

If eventually implemented, the total amount of tax paid by employers would likely be significantly less than the original legislation would have required. And administration of the tax has been greatly simplified and is now tax deductible.

CMS Online Disclosure for 1/1 Renewals

As you may recall, the Centers for Medicare and Medicaid Services require all employers who offer prescription drug plans to give plan participants annual notice that their current prescription drug coverage is as creditable as the coverage offered to qualified retirees through Medicare Part D plans. The notice for your plan was provided to you for distribution to your participants this past October.

In addition to the distribution of notices to participants, employers are also required to electronically file a confirmation with CMS verifying some general plan information and that the notices were sent to participants on or before October 15, 2015. For CMS creditable coverage reporting purposes, "plan year" means annual renewal period. Disclosure to CMS must be made within 60 days after the beginning of the "plan year" (annual renewal period).

Therefore, 1/1/2016 renewals must file online on or before February 29, 2016. The website is as follows: <http://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/CCDisclosureForm.html>

The CMS Guidance and Screen Prints for the electronic filing can be found to the left of the fields of entry. When reviewing the screen print examples, please note that some sections of the Disclosure Form may not apply to your plan. Only fields relevant to your plan may appear on your screen. Also note that **Total Number of Medicare Part D Eligible Individuals covered as of Plan Year Beginning Date** can be acquired from your TPA.

Transitional Reinsurance Fees paid December 2015

Transitional Reinsurance submission was made on behalf of all the Jefferson Health Plan groups prior to the November 15, 2015 deadline. The one-time payment for all groups was made in December. You should see the tax on your December financial statements or through your U.S. Bank account access. The transaction was labeled as "Miscellaneous Payment ACA Taxes".