

Request for Comments on Reporting of Health Insurance Coverage

Notice 2012-32

I. PURPOSE

This notice invites comments concerning the reporting requirements under § 6055 of the Internal Revenue Code for health insurance issuers, government agencies, employers that sponsor self-insured plans, and other persons that provide minimum essential coverage to an individual. Section 6055 was added by § 1502(a) of the Patient Protection and Affordable Care Act, Public Law 111-148, which was amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (collectively, the Affordable Care Act). The reporting requirements apply to coverage provided on or after January 1, 2014. The first information returns will be filed in 2015. The Department of the Treasury and the Internal Revenue Service plan to propose regulations implementing the reporting requirements under § 6055. The proposed regulations are expected to include guidance intended to minimize administrative burden and duplicative reporting. To assist in the development of the proposed regulations, this notice invites comments on issues arising under § 6055.

II. BACKGROUND

“Minimum essential coverage” is a term defined to include health insurance coverage offered in the individual market (such as a qualified health plan enrolled in through an Affordable Insurance Exchange (Exchange)), an eligible employer-sponsored plan, or government-sponsored coverage such as Medicare, Medicaid, the Children’s Health Insurance Program, TRICARE, or veterans’ health care under chapter 17 or 18 of Title 38 U.S.C. Section 5000A(f). Under § 5000A(f)(1)(E), the Department

of Health and Human Services, in coordination with the Treasury Department, may designate other health benefits coverage as minimum essential coverage.

Section 6055(a) requires every health insurance issuer, sponsor of a self-insured health plan, government agency that administers government-sponsored health insurance programs and other entity that provides minimum essential coverage to file annual returns reporting information for each individual for whom minimum essential coverage is provided. If health insurance coverage is provided by a health insurance issuer and consists of coverage provided through a group health plan of an employer, it is anticipated that the regulations would make the health insurance issuer responsible for the reporting.

Section 6055(b)(1) provides that all information returns reporting minimum essential coverage are to contain (1) the name, address, and taxpayer identification number of the primary insured and each other individual covered under the policy or plan, (2) the dates each individual was covered under minimum essential coverage during the calendar year, (3) in the case of health insurance coverage, whether the coverage is a qualified health plan offered through an Exchange, (4) if the coverage is a qualified health plan offered through an Exchange, the amount (if any) of any advance payment of the premium tax credit under § 1412 of the Affordable Care Act or of any cost-sharing reduction under § 1402 of the Affordable Care Act for each covered individual, and (5) other information that the Secretary requires.

Section 6055(b)(2) provides that information returns for minimum essential coverage provided by a health insurance issuer through an employer's group health plan also include the name, address, and employer identification number of the

employer maintaining the plan, the portion of the premium to be paid by the employer, and any other information that the Secretary may require for administering the tax credit under § 45R (credit for employee health insurance expenses of small employers).

Section 6055(c)(1) directs the entity filing an information return reporting minimum essential coverage to furnish a written statement to each individual listed on the return that shows the information that must be reported to the Service for that individual.

In addition, effective for years beginning after 2013, § 6056 directs every applicable large employer (within the meaning of § 4980H(c)(2)) that is required to meet the shared employer responsibility requirements of § 4980H during a calendar year to file a return with the Service that reports the terms and conditions of the health care coverage provided to the employer's full-time employees for the year. The return also is required to include information on the employer's full-time employees, including those who received the coverage and when they received it. Section 6056(d) permits the Secretary to provide, to the maximum extent feasible, that any return or statement required under § 6056 may be provided as part of a return or statement under § 6055 or § 6051 (relating to reporting by employers on the Form W-2, Wage and Tax Statement), and that an applicable large employer offering coverage of an issuer may agree with the issuer to include information under § 6056 with the return and statement provided by the issuer under § 6055. See Notice 2012-33, 2012-20 I.R.B. (May 14, 2012).

III. REQUEST FOR COMMENTS

The Treasury Department and the Service request comments on issues that should be addressed in regulations implementing reporting under § 6055, including but not limited to:

1. How to determine when an individual's coverage begins and ends for purposes of reporting the dates of coverage.
2. How to minimize duplication between the reporting by health insurance issuers and employers under § 6055 and the reporting by Exchanges under § 36B(f)(3).
3. How to coordinate and minimize duplication between the reporting under § 6055, § 6056, and any other applicable Code provision for employers that sponsor self-insured plans, including but not limited to the potential combined reporting referred to in § 6056(d), as described above.
4. When minimum essential coverage is provided through a voluntary employees' beneficiary association or other type of welfare benefit fund, who is required to report under § 6055 and what, if any, special rules should apply.
5. Whether there are any specific concerns that should be taken into account in any of the following circumstances:
 - a. In the case of electronic information reporting and delivery of statements to individuals and the Service;
 - b. If a third party administrator has information that is relevant to reporting for a self-insured plan;
 - c. If an individual is covered under one type of coverage for part of the year and another type of coverage for another part of the year; or
 - d. When minimum essential coverage is provided under a multiemployer plan.
6. Whether any difficulties exist in identifying the person responsible for administering information reporting for governmental coverage, for example in state-administered programs such as Medicaid.
7. Any additional suggestions for minimizing burden on entities reporting information

under § 6055.

Comments may be submitted in writing on or before June 11, 2012. Comments should be submitted to Internal Revenue Service, CC:PA:LPD:PR (Notice 2012-32), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044, or electronically to Notice.Comments@irs.counsel.treas.gov. Please include “Notice 2012-32” in the subject line of any electronic communications. Alternatively, comments may be hand delivered between the hours of 8:00 a.m. and 4:00 p.m. Monday to Friday to CC:PA:LPD:PR (Notice 2012-32), Courier’s Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, D.C. All comments will be available for public inspection and copying.

IV. DRAFTING INFORMATION

The principal authors of this notice are Andrew Braden and Frank W. Dunham III of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information, please contact Mr. Braden or Mr. Dunham at (202) 622-4960 (not a toll-free call).