

July 2, 2014

## Minimum Essential Coverage (Individual Mandate) Reporting Requirements

Minimum Essential Coverage (MEC) reporting is required to help the Internal Revenue Service (IRS) administer compliance with the individual mandate. All insurers and self-funded group plan sponsors are required to start reporting on the individuals covered under their insured health plans, starting with coverage in 2015. While these reporting requirements do not begin till 2016 for the 2015 year, certain components of the law require actions this year.

Because Social Security Numbers (SSNs) and Tax Identification Numbers (TINs) are the main individual identifying data used by the IRS, reporting entities are required to make “reasonable attempts” to obtain this sensitive data from those individuals’ whose SSNs/TINs they don’t have on file.

“Reasonable attempts” are defined as three attempts to obtain the SSN/TIN, and may include electronic, paper, telephonic, etc. outreach\*. These attempts must be made by certain dates, starting this year. The outreach is only to each employee or subscriber and their dependents whose SSN/TIN the reporting entities (Cigna for fully insured business and the client for self-funded business) don’t have, starting with those enrolling/enrolled in 2015 coverage.

- First Attempt:
  - Current or previous enrollment can satisfy the first attempt, if applications have or had space for each employee and dependent to provide their SSNs/TINs. Cigna's enrollment forms do request the SSN.
  - If current or previous enrollment does not solicit SSN/TIN, a separate outreach must be made in 2014 to obtain employee and dependents’ SSNs/TINs. Since Cigna's enrollment forms do request the SSN, this separate first attempt is not required for our customers covered under fully insured plans.
- Second Attempt
  - A separate outreach must be made before December 31, 2014\*\*
- Third Attempt
  - A separate outreach must be made before December 31, 2015

If the SSN/TIN is not obtained after making the three attempts, reporting entities may use the date

of birth for any of those covered individuals.

Cigna is establishing processes to comply with the requirements, including building awareness with our clients on the inevitable outreach. And, we hope to work with you and our clients to prepare them and their employees for this required outreach.

The letters below explain the basic activities required this year respectively for our fully insured clients and our self-funded clients. They express our commitments to clients and their covered enrollees, and provide some initial resources to help become familiar with these outreach requirements.

- [ASO Client Letter](#)
- [Fully Insured Client Letter](#)

We are sending these letters via email to our clients with 250 or fewer employees, and encourage you and our Cigna account representatives to share them with our larger group clients respectively. The letters are intended to help initiate conversations and begin preparing for the required outreach, starting later this year.

### **If You Have Questions**

Please contact your Cigna representative to discuss these new rules and how we all can best work to protect our clients' corporate philosophies, minimize disruption to their companies, employees and their families, while remaining compliant with the federal rules.

\* Outreaches can be made to the employee only, to obtain all covered dependents' SSNs. Separate outreach does not need to be made for each individual dependent enrolled in coverage.

\*\* For individuals who enroll in December, 2014, the second attempt must be made before January 31, 2015.