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Health Care Reform Update

June 24, 2015

Minimum Essential Coverage and Large Employer Reporting Requirements

Minimum Essential Coverage (Section 6055) and Large Employer (Section 6056) reporting are required by the Affordable Care Act to help the Internal Revenue Service (IRS) administer compliance with the individual and employer mandates, respectively.

To comply with the Minimum Essential Coverage (MEC) reporting requirement, Cigna is responsible for reporting on covered individuals under our insured medical plans, while our self-funded clients are responsible for reporting on all covered individuals under their self-insured plans.

At the same time, all “applicable large employers” (i.e. employers with 50 or more full-time and/or full-time equivalent employees) must also begin preparing to report annually, as part of the Large Employer reporting requirement, on the medical coverage they offer to their full-time employees and their dependent children.

On June 17, 2015, the IRS issued draft 2015 forms that will be used for MEC and Large Employer reporting in 2016. More information and links to the draft forms can be found in our [June 19 news alert](#). For additional detail on these employer administrative responsibilities, please refer to the [Employer Responsibilities and Reporting](#) page on [InformedonReform.com](#).

When is the reporting due?

The statements to individuals for both MEC and Large Employer reporting (if applicable) are due by January 31, 2016 for 2015 calendar year coverage. The MEC and Large Employer reporting must be submitted to the IRS by March 31, 2016 if filing electronically or by February 28, 2016 and February 29, 2016, respectively, if filing by paper. Electronic transmittal is required if filing at least 250 forms.

MEC Reporting – Outreach for missing SSNs

To comply with the MEC reporting requirements, insurers and employers of self-insured medical plans are required to make “reasonable attempts” to obtain Social Security Numbers (SSNs) or Tax Identification Numbers (TINs) from individuals whose data they do not have on file for identification purposes for the IRS.

“Reasonable attempts” are defined as up to three attempts to obtain the SSN/TIN before any annual filing. Enrollment can satisfy the first attempt as long as there is a space to provide the SSN/TIN. The second and third attempts are generally required by December 31 of that same year and December 31 of the following year.

Cigna will complete the outreach for our insured clients. Self-funded clients are responsible for ensuring they make the three attempts.

To comply with this requirement, Cigna has begun making preparations for our 2015 mailing, which is scheduled to begin later this summer and will be conducted on a staggered basis throughout the remainder of the year. We will only reach out to our policyholders’ employees if we **do not** have valid SSNs/TINs for them or their dependents.

If SSNs/TINs are still not received after making three attempts, we may use the date of birth for any of those covered individuals.

Cigna Commitment

At Cigna, we are diligent at protecting sensitive individual data, including SSNs/TINs. We respect any concerns our clients may have with these new responsibilities, as well as understand their desire to protect their employees and their families, minimize confusion and mitigate disruption to their organizations.

The messages below detail the specific reporting requirements and responsibilities for our insured and self-insured clients. How we can support our clients varies considerably depending on funding, product platform, and contractual agreements, i.e. PHI agreements.

- [Insured client message](#)
- [Self-funded client message](#)

These messages are available for you and your Cigna account representative to share with our clients. They can help guide discussions and action steps based on clients’ needs, and encourage standard processes most clients have already established. We will be emailing these messages directly to our clients with 250 or fewer employees later this week.

For More Information

These regulations impose challenges to our client and customer relationships. We have developed a [Reporting Requirements Toolkit](#) as an online resource for our clients. It has further details of the regulations and suggestions for how employers may best manage, with Cigna’s collaboration where possible.

To further simplify these complex reporting requirements, we encourage you to listen to our [May 13, 2015 web meeting](#) on the Two Distinct Sets of Reporting Requirements which provides an overview of the data, critical steps and dates by which employers

need to act for compliance, as well as a closer look at the forms that will be used for reporting.

If You Have Questions

Cigna will not be providing resources to perform the MEC reporting on behalf of our self-funded clients, nor will we complete the Large Employer reporting on behalf of our insured or self-funded clients. However, our ASO PPACA Fees and Reporting team is available to answer general questions about the reporting requirements, provide basic guidance about the reporting process, and walk through the process of extracting Cigna data. The team can be contacted at ASO_PPACA_Fees&Reporting@Cigna.com or 1-855-275-0555, Monday through Friday, 8:30 AM – 7:30 PM ET.

For further questions, please contact your Cigna representative to discuss these new rules and how we can best work with our clients should they request our support or collaboration.

Together, all the way.™

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