



HCR 1095 Covered Individuals FAQ

This FAQ related to ACA Information Reporting (§6055 & 6056) explains the purpose of the provided HCR 1095 Covered Individuals Spreadsheet.

Disclaimer: Blue Cross and Blue Shield of Alabama does not make any representation as to the completeness or accuracy of the information provided. This information reflects only the data provided to Blue Cross and Blue Shield of Alabama by the group as reflected in our records.

The division associated with a contract may not be used to determine full or part time status for any employee or eligible dependent according to the Affordable Care Act. The group is solely responsible for making this determination in accordance with the Affordable Care Act.

Note: The HCR 1095 Covered Individuals Production Report runs on July 10, August 14, September 11, October 9, November 6, November 20, December 11 and December 18 in 2022. Subsequent reports will run on January 1, January 8, January 15, and every two weeks in February through June of 2023.

1. What is the purpose of §6055 reporting?

- a. To provide the IRS with the information to determine whether or not **individuals** have minimum essential coverage (MEC) and the months for which these individuals were enrolled in MEC during the calendar year
- b. To aid individuals in completing their tax return and establishing that they had MEC during particular months

2. What is the purpose of §6056 reporting?

- a. To provide the IRS with the information to determine whether or not **employers** are following the employer mandate requirements under the ACA
- b. To aid the IRS in verifying if an individual is eligible for the premium tax credits and cost sharing reductions
- c. To help the employee understand whether he or she may be eligible for a premium tax credit for his or her federal taxes

3. Who is required to report under §6055?

Any person that provides MEC to an individual must report under this code section. Examples include:

- a. Health insurance issuers
- b. Plan sponsors of self-insured group health plan coverage
- c. The executive department or agency of a governmental unit that provides coverage under a government-sponsored program

4. Who is required to report under §6056?

Applicable large employers (ALEs) – An applicable large employer is an employer that employed an average of at least 50 full-time employees on business days during the preceding calendar year.



5. What is the counting method used to determine if an employer meets the requirements of being an ALE?

The counting method is the same as the one used for the employer mandate. A full-time employee generally includes any employee who was employed on average at least 30 hours of service per week and any full-time equivalents determined pursuant to §4980H(c)(2)(E).

6. When is the filing due?

Statements are available to individuals January 31, 2023.

7. What forms are required to be filed to the IRS and individuals under §6055 reporting?

Each provider of MEC may satisfy the requirement to file a §6055 return by filing a Form 1094-B (transmittal) and for each responsible individual, a Form 1095-B, or other forms the IRS may designate

8. What forms are required to be filed to the IRS and individuals under §6056 reporting?

Each ALE member may satisfy the requirement to file a §6056 return by filing a Form 1094-C (transmittal) and, for each full-time employee, a Form 1095-C (employee statement), or other forms the IRS may designate.

9. May an employer combine reporting under §6055 and §6056?

Yes, combined reporting can be achieved by completing Form 1095-C Parts I-III.

10. How will Blue Cross help their groups with this reporting?

Blue Cross will offer assistance to groups; however, employers are encouraged to consult their legal counsel or tax preparer for specific advice. The following information will be available on GroupAccess in early 2023 for the 2022 reporting:

- a) Group number, contract number, and division number
- b) Names of employees/names of responsible individuals
- c) Names of covered individuals
- d) SSNs for employees and covered individuals, if available
- e) Dates of birth for employees/responsible individuals and covered individuals
- f) Address including zip code
- g) Months individuals were covered by Blue Cross
- h) Relationship code to define if the listed individual is the subscriber, spouse, or dependent

11. What are the next steps?

- a) Determine if you are an ALE.
- b) Put processes in place to collect and document data, such as offers of coverage, employees' share of monthly premiums, SSNs and addresses of employees.
- c) If you are a self-funded group, determine if you are missing any SSNs. If you are unable to obtain a SSN after making a reasonable effort to do so, the date of birth may be reported in lieu of a SSN.



BlueCross BlueShield of Alabama

An Independent Licensee of the Blue Cross and Blue Shield Association

Additional Information

You can find draft 2022 Forms 1094-B and 1095-B at <http://www.irs.gov/pub/irs-dft/f1094b--dft.pdf> and <http://www.irs.gov/pub/irs-dft/f1095b--dft.pdf>.

The instructions for the above forms can be found at <http://www.irs.gov/pub/irs-pdf/i109495b.pdf>.

The IRS has also issued frequently asked questions about this reporting requirement at <https://www.irs.gov/affordable-care-act/questions-and-answers-on-information-reporting-by-health-coverage-providers-section-6055>.

You can find draft 2022 Forms 1094-C and 1095-C at <http://www.irs.gov/pub/irs-dft/f1094c--dft.pdf> and <http://www.irs.gov/pub/irs-dft/f1095c--dft.pdf>.

The instructions for the above forms can be found at <http://www.irs.gov/pub/irs-pdf/i109495c.pdf>.

The IRS has also issued frequently asked questions about this reporting requirement at <https://www.irs.gov/affordable-care-act/employers/questions-and-answers-on-reporting-of-offers-of-health-insurance-coverage-by-employers-section-6056>.