

December 2015

# Regulatory Updates

*Regulatory Updates* is an online news series designed to help you understand pertinent regulatory requirements and how they may affect your plan and plan members, and help you make informed decisions.

## Taking a look ahead to 2016

As 2015 comes to a close, we look forward to 2016 and wanted to provide you with some important reminders for the coming year:

**Employer Shared Responsibility** - To meet the requirements of the Employer Shared Responsibility provision, large employers (employers with 50 or more full-time employees) must offer health coverage that meets certain guidelines under the Affordable Care Act (ACA). Generally, large employers must offer coverage that provides minimum value and is affordable to substantially all of their active, full-time employees (70 percent in 2015, which increases to 95 percent in 2016). If the employer does not offer coverage or it is not affordable, a penalty may apply.

The information reporting requirements for employers, insurers, and other entities requires that they file information returns with the IRS in 2016, as well as provide statements to individuals in 2016, in order for the individual to report health coverage for 2015.

**Grandfathered plans** – These plans, which took effect in March 23 2010, as part of the Affordable Care Act (ACA), are still in place. A group plan remains grandfathered for as long as it complies with the ACA requirements with respect to grandfathering.

**Out-of-Pocket Maximum (OOPM)** - The OOPM is the most a plan member will pay during a plan year for their in-network coverage. OOPM includes deductibles, copayments, and coinsurance for in-network services. OOPM applies to non-grandfathered plans (self-funded and fully insured).

For 2016, the OOPM for self-only coverage is \$6,850 (up from \$6,600 in 2015). For coverage other than self-only (e.g., family coverage), the OOPM is \$13,700 (up from \$13,200 in 2015).

In addition, for 2016 the OOPM limit for self-only coverage applies to all individuals (regardless of whether the individual is in self-only or family coverage). For example, a family plan with a \$13,700 family out-of-pocket limit cannot have cost sharing that exceeds \$6,850 for any individual member.

**Health Savings Account (HSA)/High-Deductible Health Plan (HDHP)** – The amount for HSA HDHP in 2016 is \$6,550 for individual; \$13,100 for family coverage.

## MA 1099-HC requirements for December 31

Massachusetts' requires minimum creditable coverage and filing of MA 1099-HC forms, and Massachusetts residents must submit a MA 1099-HC form with their state income tax returns.

Plan sponsors must send the MA 1099-HC to plan members who live in Massachusetts. As the plan sponsor you must determine if the benefit program you provide to your members who live in Massachusetts meets the state's

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requirement for minimum creditable coverage. As a plan sponsor, you have certain obligations under the regulations.

**Please contact your Independence Administrators Account Representative before December 31, 2015, to elect or decline our optional services.** If you elect this service, you will be required to send us written confirmation that the benefits you provide to your Massachusetts plan members meet or exceed the requirement.

You can find information on how to determine if your plan meets the minimum creditable coverage requirement by visiting [MA 1099 questions](#) or [Massachusetts Health Connector](#). You can choose to have the state make this determination for your plan.

## For more information

To learn more about how Independence Administrators can support you in complying with the requirements of relevant regulations and the Affordable Care Act, **please contact your Independence Administrators account representative.**

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