



JENNIFER KENT
Director

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

Date: October 30, 2015

Medi-Cal Eligibility Division Information Letter No.: I 15-36

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: Letter to All Medi-Cal Head of Households Informing of IRS Form
1095-B

The purpose of this Letter is to inform counties that beginning the week of November 2, 2015, the Department of Health Care Services (DHCS) will be mailing the enclosed informing letter to all Medi-Cal head of households who are or were eligible for Medi-Cal during 2015.

To avoid a tax penalty mandated by the Affordable Care Act, all individuals are required to obtain health coverage that meets Minimum Essential Coverage (MEC) requirements for at least nine (9) calendar months out of the year. Internal Revenue Code Section 6055 requires DHCS to issue Internal Revenue Service (IRS) Form 1095-B to each Medi-Cal beneficiary who received MEC health coverage from DHCS for any month during the tax year. MEC Medi-Cal also includes cash-linked Medi-Cal programs such as California Work Opportunity and Responsibility to Kids (CaWORKs), Foster Care and Supplemental Security Income (SSI). The California Department of Social Services will be providing further information regarding the 1095-B as related to cash-linked programs that offer Medi-Cal. Beneficiaries will use Form 1095-B to report their Medi-Cal health coverage when they file their federal taxes. DHCS will also be submitting the information on Form 1095-B electronically to the IRS. Beneficiaries should be encouraged to keep the Form 1095 B as it is their proof of MEC health coverage provided by DHCS.

DHCS will include the informing letter in the quarterly Jackson vs. Rank mailing that will be sent during November 2015 to all current Medi-Cal head of households. Since DHCS is mailing the letter in November 2015, there will be Medi-Cal beneficiaries who will not receive the notification because they became Medi-Cal eligible after the start of the November 2015 mailing. DHCS has issued MEDIL I 15-35 which provides additional guidance about including the Form 1095-B information letter at application for insurance affordability programs to inform individuals who are not included in the November 2015 mailing. A copy of the informing letter in English and Spanish are enclosed with this letter.

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DHCS anticipates counties will receive questions from beneficiaries related to the informing letter and counties are reminded that they shall assist beneficiaries with answering questions and processing any changes that may be reported to ensure correct information will be reported on the Form 1095-B. A copy of the DHCS Call Center script (Attachment 3) containing answers to questions that the Medi-Cal Helpdesk will use to address inquiries received from beneficiaries is provided for counties to reference should inquiries are directed to county workers or helplines.

If you have questions, please contact Ms. Debora Wong-Kochi at (916) 327-6672 or by e-mail at Debora.Wong-Kochi@dhcs.ca.gov.

Sincerely,

Original Signed By:

Alice Mak, Chief (Acting)
Medi-Cal Eligibility Division

Attachment



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State of California—Health and Human Services Agency
Department of Health Care Services



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Notice: Medi-Cal beneficiaries will receive IRS Form 1095-B.

Dear Medi-Cal Recipient:

The Affordable Care Act (ACA) may require most people to have Minimum Essential Coverage (MEC) health insurance to meet the ACA's individual responsibility requirement in order to avoid a tax penalty. This includes individual market policies, job-based coverage, Medicare, Medi-Cal, Supplemental Security Income (SSI), California Work Opportunity and Responsibility to Kids (CalWORKs), Covered California plans, TRICARE, and certain other coverage.

Per the Internal Revenue Code, the California Department of Health Care Services (DHCS) will issue Internal Revenue Service (IRS) Form 1095-B to all Medi-Cal beneficiaries by January 31st of each year beginning in January 2016. Form 1095-B will list the months of Medi-Cal coverage you had that were considered MEC during the previous calendar year. You will use Form 1095-B as proof to report health coverage while filing your taxes with the IRS. DHCS will issue one Form 1095-B to every adult or child who received Medi-Cal each year. This means you will receive multiple forms if other people in your family are also covered under Medi-Cal or Covered California.

If you receive Medi-Cal or CalWORKs through the county, to ensure Form 1095-B contains the correct information, please contact your county human services agency to report changes to your address, income, tax filing status, or family size. For a complete list of county human services agencies, please visit <http://dhcs.ca.gov/COL>.

Important: SSI recipients: If you receive Medi-Cal through SSI, please contact the Social Security Administration at <https://secure.ssa.gov/ICON/main.jsp> to report any changes. Failure to report changes may result in delays and inaccurate information on your Form 1095-B.

If you have any questions about this notice, or if you need additional information regarding Form 1095-B, please visit the DHCS website at <http://dhcs.ca.gov/1095> or call 1-844-253-0883.



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Aviso: Los beneficiarios de Medi-Cal recibirán el formulario 1095-B del IRS.

Estimado Beneficiario de Medi-cal:

La Ley de Cuidado de Salud Asequible (Affordable Care Act, ACA) requiere que la gente tenga un seguro de salud con Cobertura Esencial Mínima (Minimum Essential Coverage, MEC) para cumplir con el requisito de responsabilidad individual de la ACA y evitar una multa en sus impuestos. Esto vale para pólizas de mercados individuales, cobertura por medio del trabajo, Medicare, Medi-Cal, Seguridad de Ingreso Suplementario (Supplemental Security Income, SSI), Oportunidad de Trabajo de California y Responsabilidad con los Niños (California Work Opportunity and Responsibility to Kids, CalWORKs), planes de Covered California, TRICARE y ciertas otras coberturas.

En cumplimiento del Código de Impuestos Internos, el Departamento de Servicios de Atención Médica de California (Department of Health Care Services, DHCS) enviará un formulario 1095-B del Servicio de Impuestos Internos (Internal Revenue Service, IRS) a todos los beneficiarios de Medi-Cal el 31 de enero de cada año, comenzando en enero de 2016. El formulario 1095-B listará los meses en que su cobertura de Medi-Cal cumplió con los requisitos de MEC durante el año calendario anterior. Usted usará el formulario 1095-B como comprobante para reportar su cobertura de salud al presentar su declaración de impuestos ante el IRS. DHCS enviará un formulario 1095-B a cada adulto o niño que recibió Medi-Cal cada año. Esto quiere decir que si otros miembros de su familia también están cubiertos por Medi-Cal o Covered California, usted recibirá múltiples formularios.

Si recibe Medi-Cal o CalWORKs a través del condado, para asegurar que el formulario 1095-B contenga la información correcta, comuníquese con la agencia de servicios humanos de su condado para reportar cualquier cambio en su dirección, ingresos, estado de declaración de impuestos o tamaño de la familia. Para obtener una lista completa de las agencias de servicios humanos del condado, visite <http://dhcs.ca.gov/COL>.

Importante: Beneficiarios de SSI: Si recibe Medi-Cal por medio de SSI, comuníquese con la Administración del Seguro Social en <https://secure.ssa.gov/ICON/main.jsp> para reportar cualquier cambio. Si no reporta cambios, su formulario 1095-B se puede demorar y contener información inexacta.

Si tiene alguna pregunta sobre este aviso, o necesita información adicional sobre el formulario 1095-B, visite el sitio web del DHCS en <http://dhcs.ca.gov/1095> o llame al 1-844-253-0883.



PROCEDURE TASK GUIDE

Function	Service Center
Task Group	Service Center General
Process	Answering Beneficiary Inquiries Pertaining to November 2015 Mailing Notice Regarding Upcoming Receipt of 1095-B IRS Tax Form
Job Roles	Service Center Representative (SCR)

Overview	<p>The following protocol is in effect until further notice to assist Medi-Cal beneficiaries with questions regarding the information notice that will be mailed in November 2015 regarding their 1095-B tax form they will receive in January 2016 regarding their Medi-Cal coverage.</p> <p>Initial training information: Per Section 6055 of the Internal Revenue Code, individuals enrolled in most Medi-Cal programs are considered having Minimum Essential Coverage (MEC) and they will receive a 1095-B for 2015 under the administration of the Department of Health Care Services (DHCS).</p> <p>The 1095-B is an Internal Revenue Service (IRS) form that individuals will receive as having health insurance through Medi-Cal need when they file federal income taxes. The individual or their tax preparer will use the information from the 1095-B form as proof of health coverage in the tax year.</p> <p>The IRS also receives an electronic copy of the 1095-B for beneficiaries enrolled in the Medi-Cal programs that are designated as MEC. DHCS is responsible for sending the electronic copy of the 1095-B to IRS by March 30, 2016.</p> <p>The 1095-B form will be mailed to beneficiaries by January 31, 2016. A cover letter will be included with the form to advise the beneficiaries of the form's purpose. In addition, an informational notice will also be mailed to all Medi-Cal beneficiaries in November 2015 to prepare them for receipt of the form.</p> <p>The 1095-B form contains information pertaining to the beneficiary's Medi-Cal MEC, including:</p> <ul style="list-style-type: none"> • Beneficiary's name
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	<ul style="list-style-type: none"> • Beneficiary’s address • Social Security number (or date of birth, if not available) • Months of coverage <p>Other similar tax forms beneficiaries may receive from sources other than DHCS/Medi-Cal:</p> <ul style="list-style-type: none"> • 1095-A – if a household member received health coverage through Covered California. • 1095-C – If a household member received health insurance through an employer. <p>Additional key information:</p> <ul style="list-style-type: none"> • Each beneficiary will receive a 1095-B form individually. Therefore, a household of multiple beneficiaries may receive multiple forms for each person who received Medi-Cal in the given tax year. • SCRs cannot give tax advice and should limit the information they provide beneficiaries about federal tax regulations or requirements. SCRs can refer the consumer to various resources available such as: <ul style="list-style-type: none"> ○ VITA (Volunteer Income Tax Assistance): 1-800-906-9887. <ul style="list-style-type: none"> ▪ Link to local VITA offices for in-person assistance. ○ IRS.gov website - includes: <ul style="list-style-type: none"> ▪ Specific information about the Affordable Care Act (ACA) and tax implications. <ul style="list-style-type: none"> ▪ Link to local IRS offices for in-person assistance. ○ The Federal Health Care Exchange website at www.healthcare.gov. ○ The DHCS 1095-B website at http://dhcs.ca.gov/1095 <p>Who does not receive a 1095-B form? Beneficiaries who are enrolled in a Medi-Cal program that is not considered MEC, such as coverage limited or restricted scope Medi-Cal benefits or state funded programs.</p>
<p>1095-B Form</p>	<ul style="list-style-type: none"> • What is the 1095-B form? The 1095-B is an IRS form beneficiaries use to report having health coverage considered MEC when they file their federal income taxes. As part of ACA, the IRS requires all tax filers obtain health coverage considered MEC in the given tax year in order to not incur a tax penalty for being “uninsured.” This is called the “individual mandate.” The beneficiary or their tax preparer will use the information on the form as proof of health coverage in the tax year. • If I am required to have a 1095-B form, how will I receive it?

	<p>The 1095-B form will be mailed to beneficiaries by January 31, 2016. A cover letter will be included with the form to advise the beneficiaries of the forms purpose. It is highly recommended that individuals ensure their contact information, such as the mailing address, is up-to-date by reporting changes to their county human services agency.</p> <ul style="list-style-type: none"> • What if I do not file a tax return? SCRs cannot give tax advice and should limit the amount of information they provide to beneficiaries about Federal tax regulations or requirements. <p>SCRs can refer the beneficiary to various resources available such as:</p> <ul style="list-style-type: none"> ○ VITA (Volunteer Income Tax Assistance): 1-800-906-9887. <ul style="list-style-type: none"> ▪ Link to local VITA offices for in-person assistance. ○ IRS.gov website - includes: <ul style="list-style-type: none"> ▪ Specific information about the Affordable Care Act and tax implications at www.irs.gov/aca. ▪ Link to local IRS offices for in-person assistance. ○ The Federal Healthcare Exchange website at www.healthcare.gov. ○ http://dhcs.ca.gov/1095 <ul style="list-style-type: none"> • What if I only received Medi-Cal for part of the tax year, do I still receive a 1095-B form? DHCS is mandated to report all months of Medi-Cal coverage meeting MEC requirements to the IRS and will furnish a 1095-B form to the individual for tax purposes, regardless of full or partial coverage through the tax year. • What will happen if I only had health coverage for part of the year? Individuals with gaps in coverage may incur a tax penalty. Please refer to www.IRS.gov for more details on the individual mandate for health insurance. • What will happen if I had Medi-Cal for part of the year and then I purchased health insurance through a qualified health plan (QHP) from Covered California? If a beneficiary transitioned between a QHP from Covered California and Medi-Cal, the individual will receive two forms, a 1095-A from Covered California and a 1095-B from DHCS/Medi-Cal.
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<p>Updating Beneficiary Info</p>	<ul style="list-style-type: none"> • How do I update my information to ensure I receive my 1095-B form? Beneficiaries who are enrolled in the Medi-Cal program may contact their county human services agency county eligibility worker (CEW) to verify or update their contact information for Medi-Cal. By connecting with their CEW, they can review their personal information within the Medi-Cal Eligibility Data System (MEDS) and make changes to it as necessary. Note that their CEW may require additional personal information for identity verification. County Offices: : <ul style="list-style-type: none"> • http://dhcs.ca.gov/COL <p>Beneficiaries receiving Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits are to contact the Social Security Administration (SSA) in order to update their contact information.</p> <p>SCRs can refer the beneficiary to the following SSA contact resources:</p> <ul style="list-style-type: none"> ○ SSA toll-free contact number: 1-800-772-1213. ○ SSA local county office locator website - https://secure.ssa.gov/ICON/main.jsp <p>Note: The SSI Program is a federally funded program which provides income support for beneficiaries aged 65 or older, blind or disabled. SSI benefits are also available to qualified blind or disabled children.</p> <ul style="list-style-type: none"> • What changes do I need to report to make sure my information is up-to-date? Changes to residential or mailing address, contact information, income, household size, and other health insurance coverage must be reported to the county human services agency within 10 days. • How do I locate my county human services agency? Beneficiaries may locate their county human services agency by utilizing the DHCS county listing web page. Agencies are listed by county and may include street addresses, telephone numbers, and web page URLs. <p>County Offices::</p> <ul style="list-style-type: none"> • http://dhcs.ca.gov/COL
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<p>Coverage</p>	<ul style="list-style-type: none">• How do I know if the coverage I am receiving or did receive this year counts as MEC? Full-scope Medi-Cal coverage is considered MEC. Nearly all beneficiaries enrolled in Medi-Cal qualify for the full coverage. The list below are examples of Medi-Cal or state funded programs that are not considered to be MEC:<ul style="list-style-type: none">• Special Treatment Programs such as treatment for Tuberculosis, Dialysis, and Parenteral Hyperalimentation• Restricted scope, covering emergency only services• Family Planning, Access, Care, and Treatment (FPACT)• If a beneficiary would like to confirm their coverage, they should contact their CEWs at the county human services agency.
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