

Update on Reporting Obligations Under the Massachusetts Health Care Reform Act

Under the Massachusetts Health Care Reform Act (HCRA), *all* employers are required to provide employees who reside in Massachusetts and are covered by the employer's health plan with an MA 1099-HC form by January 31 of each year. The Massachusetts Department of Revenue (DOR) recently released a [sample MA 1099-HC form](#) for the 2007 tax year and posted question-and-answer guidance regarding this reporting requirement.

This *Alert* reviews the MA 1099-HC reporting requirement. There are other reporting requirements under the HCRA, and those are described in Willis' *Employee Benefits Alert, Issue 117*. We are not aware of any changes in those reporting requirements since publication of that *Alert*.

Background

The MA 1099-HC form provides information that Massachusetts taxpayers will need in order to complete their state income tax returns. Therefore, unlike the other HCRA reporting requirements, this requirement has no small-employer exemption – it applies to *all* employers with *any* Massachusetts employees.

For insured plans written in Massachusetts, carriers will prepare and send the form. For an insured plan written outside of Massachusetts, as well as a self-insured plan, these responsibilities fall on the employer. Such employers may want to contact their payroll administrators for assistance in meeting this requirement.



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DOR Guidance

Unfortunately, the recently released [sample MA 1099-HC form](#) does not include instructions for completion. The DOR has, however, posted some [question-and-answer guidance](#) on its web site that may be helpful to employers. Although this guidance is intended to assist carriers in completing the forms for their insureds and is not directly applicable to employers, it may answer some employers' questions as they complete and file the forms. Some of the questions from the guidance are listed below. References to carriers can generally be read as references to employers.



- Are residents required to submit Forms MA 1099-HC when filing their income tax returns?
- Is there a standard format for the Form MA 1099-HC?
- If an individual calls a carrier in 2015 to request a copy of his or her 2007 Form MA 1099-HC, does a report need to be sent to DOR for that 2007 Form MA 1099-HC?
- If a subscriber has a mailing address (e.g., a Florida mailing address) for the winter months and a default address (e.g., Massachusetts address) for the rest of the year, what address should be sent to DOR and used on the Form MA 1099-HC?
- Are carriers required to send Form MA 1099-HC letters to subscribers who reside in Massachusetts only for a portion of the year and move out/change their residency prior to December 31, 2007?
- What if a dependent has a different mailing address? Should the dependent receive a separate Form MA 1099-HC?

- If a parent company will be sending out Forms MA 1099-HC for its operating companies, what should appear in Line 1, the parent company name or the individual business entity's name?
- How many attempts do carriers have to make to deliver letters that are sent back as "undeliverable" via US mail?
- Are carriers required to mail Forms MA 1099-HC to Medicare subscribers?

Conclusion

This may be the last of the guidance on the HCRA's reporting requirements. We note, however, that the Schedule HC, which taxpayers will complete (using information from the MA 1099-HC) and file with their state income tax return has not yet been finalized. When that form is issued, additional guidance on this reporting requirement may be included.

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