New Problems for Health Care Reform

Cross References
• http://blog.cms.gov/2015/02/20/what-consumers-need-to-know-about-corrected-form-1095-as/

New problems for Health Care Reform were announced by the Centers for Medicare & Medicaid Services (CMS). In a CMS blog posting dated February 20, 2015, approximately 800,000 taxpayers will soon receive a corrected Form 1095-A because the original version they were issued listed an incorrect benchmark plan premium amount. Taxpayers who received health insurance through the Marketplace should wait until the first week of March before filing their tax return to make sure they have the correct 1095-A information, which is required in order to calculate the Premium Tax Credit. For the approximately 50,000 taxpayers who already filed their return using the wrong 1095-A, the IRS will provide additional information soon. The problem only affects the 37 states using HealthCare.gov because their state does not have its own Marketplace. The blog states about 80% of Marketplace consumers are not affected by this problem, although it is not clear how one is supposed to know whether they will receive a corrected 1095-A or not. Taxpayers that cannot wait to file their return and need to know now if they are affected should call the Marketplace Call Center at 1-800-318-2596.

A second CMS news release dated February 20, 2015, states that many individuals and families were not aware that they needed health insurance coverage for 2014 and are subject to a penalty for not having insurance. As a result of this problem, CMS says a new special enrollment period will allow those individuals and families to sign up for health insurance through the Marketplace from March 15 to April 30, 2015. The news release warns taxpayers that if they do not sign up for health insurance for 2015, they may be subject to the penalty. Nothing in the news release provides relief from the penalty for 2014 for not knowing, although the news release mentions the penalty for 2015 will be greater than the penalty imposed in 2014 for not having insurance.