



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



GAVIN NEWSOM  
GOVERNOR

Date: July 2, 2021

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 21-11  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY MEDS LIAISONS

SUBJECT: Internal Revenue Service (IRS) and Franchise Tax Board (FTB) Minimum Essential Coverage (MEC) Reporting and Form 1095-B

The purpose of this All County Welfare Director's Letter (ACWDL) is to provide counties with information and guidance related to the Form 1095-B reporting process required by the Internal Revenue Service (IRS) and the California Franchise Tax Board (FTB). This letter supersedes ACWDL No. [17-30](#) and [17-30E](#) and Medi-Cal Eligibility Division Information Letters (MEDILs) [115-35](#), [115-36](#), and [115-43](#).

### Background

Federal law (Title 26 Code of Federal Regulations (CFR) § 1.5000A-1 (2013)) requires individuals to have health coverage that meets a minimum standard, called Minimum Essential Coverage (MEC), unless the individual meets the requirements for an exemption. This requirement is also known as the "Affordable Care Act (ACA) Individual Mandate" or the "Federal Individual Mandate". Beginning in tax year 2019, the IRS removed questions pertaining to MEC from the IRS Form 1040, used to file federal taxes, and reduced the penalty to \$0 for individuals who fail to maintain MEC. However, health insurers/providers, such as the Department of Health Care Services (DHCS), are still required under federal law to report MEC data to the IRS.

Under state law, Title 24 of the Government Code, titled "Minimum Essential Coverage Individual Mandate," (Gov. Code §§ 100700 - 100725) requires California residents to enroll in and maintain MEC beginning January 1, 2020. Californians must pay a state penalty if they do not meet this requirement, unless they qualify for an exemption. The FTB, in collaboration with Covered California (Covered CA), is responsible for administering the mandate, reviewing and approving exemption requests, and assessing any potential penalties through the state tax filing process.

### **Minimum Essential Coverage (MEC) Definitions**

Federal qualifying health care coverage, also known as MEC, is described under 26 CFR § 1.5000A-2 (2014). Subsection (b) of this regulation classifies coverage under the Medicaid program pursuant to Title XIX of the Social Security Act and coverage under the Children's Health Insurance Program pursuant to Title XXI of the Social Security Act as being federally recognized MEC.

Similarly, California Health and Safety Code (Health & Saf. Code §1345.5, subd. (a)(1)(B)) defines MEC as full scope coverage under the Medi-Cal program, including the Medi-Cal Access Program (MCAP), Medi-Cal for Pregnant Women, and other full scope health coverage programs administered and determined to be minimum essential coverage by DHCS.

### **IRS Form 1095-B (Form 1095-B)**

As required by the Internal Revenue Code (Int. Rev. Code, § 6055) and the California Revenue and Taxation Code (Rev. & Tax. Code § 61005), DHCS must provide a Form 1095-B to all Medi-Cal beneficiaries with qualifying MEC coverage annually by January 31. The Form 1095-B provided by DHCS reports the months of MEC a Medi-Cal beneficiary received during the previous calendar year. Beginning in January 2021, beneficiaries may use the Form 1095-B as evidence of MEC for both the state and federal individual mandates. As of 2019 or later, the IRS no longer asks individuals about their health care coverage for any federal tax filings. Pursuant to IRS and FTB guidance, individuals may self-attest their MEC at the time they file their taxes. It is strongly recommended that individuals keep a copy of the Form 1095-B for their records in the event they are asked to show proof of MEC to the IRS or the FTB. However, the Form 1095-B is not required for individuals to file their federal or state taxes.

DHCS' version of the Form 1095-B includes the beneficiary's county case number and their Client Index Number (CIN), in addition to the beneficiary's and DHCS' information indicating MEC. If the beneficiary does not have a county case number the County Case Number field will be blank. DHCS' Form 1095-B also includes a print date to assist with distinguishing which form is the most current. In an effort to protect the beneficiary's privacy, DHCS redacts the first five digits of the beneficiary's Social Security number (SSN) and will not display the date of birth (DOB) on the Form 1095-B. However, if the beneficiary is using a pseudo MEDS-ID or if a SSN is not available, the beneficiary's full DOB will be displayed on the form.

### **Covered CA- IRS Tax Form 1095-A and FTB Form 3895**

Some beneficiaries may have health coverage provided by Covered CA and Medi-Cal during a given tax year. Some families have members in Medi-Cal and others in

Covered CA. Covered CA will furnish IRS Tax Form 1095-A and FTB Form 3895 to an individual who had MEC provided by Covered CA health plans. That means some families and certain individuals may receive MEC information from both DHCS and Covered CA in the same year. If an individual contacts the county regarding information on IRS Tax Form 1095-A or the FTB Form 3895, they should be directed to Covered CA for additional assistance. More information on Covered CA's Form 1095-A can be found at <https://www.coveredca.com/learning-center/tax-forms-and-filing/> and more information about FTB Form 3895 can be found at <https://www.coveredca.com/learning-center/tax-forms-and-filing/form-ftb-3895/>.

### **County Eligibility Worker (CEW) Responsibilities**

All county human services agencies are responsible for assisting beneficiaries with Form 1095-B processes, including updating a beneficiary's information, processing requests for Form 1095-B reprints, and assistance with troubleshooting IRS transmission errors due to missing or incorrect beneficiary information. Refer to Attachment 1 for a list of scenarios and actions CEW may need to take regarding situations that may occur through beneficiary contact or case management related to Form 1095-B.

### **Beneficiaries Receiving Supplemental Security Income/State Supplementary Payment (SSI/SSP)**

DHCS receives data from the Social Security Administration (SSA) pertaining to Medi-Cal eligibility for individuals that qualify for SSI/SSP. Counties must provide the following Form 1095-B services to SSI/SSP recipients:

- a. Process Medi-Cal Eligibility Data System (MEDS) address updates using EW55 transaction (SSI-SSP Modify ID Care Request)
- b. Process Form 1095-B reprint and tax filer address override reprint requests
- c. Inform the SSI/SSP recipient to contact their local SSA district office to ensure they report any changes to SSA to avoid suspension of SSI/SSP benefits
- d. Submit a remedy ticket for SSI/SSP records that contain discrepancies or require changes to Form 1095-B data

### **County Children's Health Initiative Program (CCHIP) and MCAP**

CCHIP and MCAP are specialized programs that qualify as MEC. DHCS contracts with MAXIMUS to provide case management services for MCAP and CCHIP. MAXIMUS is responsible for providing updated MEC monthly data to DHCS for IRS and FTB reporting purposes.

CCHIP and MCAP beneficiaries should be referred to MAXIMUS to update their information and request Form 1095-B reprints:

MCAP: Medi-Cal Access Program  
P.O. Box 15559  
Sacramento CA, 95852-0559  
1-800-433-2611

CCHIP: County Children's Health Initiative Program  
P.O. Box 138004  
Sacramento CA, 95813-8004  
1-833-912-2447

### **Form 1095-B Mailings**

As required by Title 26, Code of Federal Regulation (C.F.R.) § 1.6055-1(g)(4)(ii), DHCS must send all Form 1095-Bs through first class mail to the individual's last known mailing address. To determine the mailing address, Form 1095-B mailings use the following hierarchy: (1) pending mailing address, (2) mailing address, (3) pending residential address, and (4) residential address. An address is considered valid if it has an address flag of "A", "W", or "C" in MEDS. If an address is not found to have an "A" (Address Certified via Finalist), "W" (Benefits Identification Card (BIC) mailed – previously A) or "C" (County Override, not Certified via Finalist) address flag, DHCS will utilize the next available address on record. In the event that no valid address is known to MEDS, the beneficiary's Form 1095-B will not be mailed in order to protect the individual's private information. However, the Form 1095-B will be available for reprint in MEDS at the request of the beneficiary.

Each mailing of a Form 1095-B will contain an appropriate cover letter explaining the purpose of the Form 1095-B they are receiving. Samples of DHCS' Form 1095-B cover letters can be found on DHCS' Form 1095-B website: <http://dhcs.ca.gov/1095>.

### **Annual Mailings**

DHCS furnishes the Form 1095-B to Medi-Cal beneficiaries with MEC on or before January 31 of each year. To minimize the increased workload to counties, DHCS staggers the annual mailing of Form 1095-B to beneficiaries. The twelve largest counties are mailed throughout a four to eight week mailing period. The remaining counties are assigned a specific week for mailing within the same timeframe. The mailing schedule is shared with the counties in advance through the County Welfare Directors Association (CWDA) and other county meetings.

Monthly Mailings

All subsequent mailings, such as corrected or reprinted Form 1095-Bs, occur on a monthly basis. After MEDS renewal each month, all pending Form 1095-Bs are transmitted to DHCS' vendor for printing and mailing. Transmission of the file generally happens the same week as MEDS renewal. The vendor will process the updated data and mail the reprint/corrected Form 1095-B to the beneficiary within ten (10) business days of receiving the data from DHCS.

DHCS pauses monthly mailings each year during December and January to complete the annual mailings. Depending on the timing of the request, DHCS estimates that it may take up to forty-five (45) calendar days for a reprint or corrected Form 1095-B to be delivered to the beneficiary once the request is generated in MEDS. Requests processed between late November and December may take longer due to the pause in monthly mailings. County eligibility workers shall inform beneficiaries of the estimated time for delivery upon receipt of reprint requests using the information provided in this letter.

Returned Form 1095-B Mailings

Each mailing contains a barcode that is scanned and used to initiate MEDS processes for Form 1095-Bs returned as undeliverable. Form 1095-Bs returned for the CCHIP and MCAP population are directed to and processed by MAXIMUS, the entity responsible for managing these programs for DHCS. All other returned Form 1095-B mailings are routed to DHCS' vendor for processing.

If a Form 1095-B mailing is returned to DHCS, the address flag in MEDS will be updated to a "9" (NOA returned – previously Good Deliverable or Presumed Deliverable Address) and a MEDS Alert will be generated to notify the county of the returned Form 1095-B mail. Returned mail alerts are not generated in MEDS for the CCHIP/MCAP or SSI/SSP populations. All numeric address flags will be bypassed for future mailings. Once the address is updated to a deliverable address in MEDS, the address flag of "9" will be lifted.

Below is a summary of Form 1095-B related MEDS Alerts generated by a returned mailing and the actions required by each:

Int#	Ext#	Alert	Description	Action
------	------	-------	-------------	--------

0461	9003	DEATH REPORTED TO MEDS- MEDS/CDB ELIGIBILITY TERMINATED *URGENT*	Indicates a returned mailing was received with a "deceased" notice; requires action to be taken to terminate benefits	*Action
0802	8024	IRS DOCUMENT RETURNED AS UNDELIVERABLE *PRI-ACC*	Indicates an IRS related document was received as an undeliverable mailing. Requires action to be taken to acquire and update out dated information	*Action
0803	9072	IRS DOCUMENT - LOSS OF CONTACT - REDETERMINATION REQUIRED *CRITCL*	Indicates there were consecutive returned mailings and a loss of contact; requires action to be taken, as required by ACWDL 16-23.	*Action

Counties shall follow established procedures described in [ACWDL 16-23](#), or in any related errata or superseding ACWDLs, regarding undeliverable mail. As a reminder, in addition to updated contact information provided directly by beneficiaries, counties are to accept updated contact information for beneficiaries from Medi-Cal Managed Care Health Plans, as described in [ACWDL 15-30](#), or in any related errata or superseding ACWDLs.

**Corrected and Reprinted Form 1095-Bs**

DHCS is required to ensure reprints of the Form 1095-B are available upon request for beneficiaries. If warranted, corrected information is reported to the IRS and the FTB and a new, corrected Form 1095-B is generated for the beneficiary.

Corrected Form 1095-B Process

A corrected Form 1095-B is automatically generated when an update, which qualifies as a correction, is made to a beneficiary’s record in MEDS that had already been transmitted to the IRS and the FTB within the last four tax years. When this occurs, the corrected data is transmitted to the IRS and FTB. A corrected Form 1095-B will be automatically printed and mailed to the individual during DHCS’ next Form 1095-B monthly mailing. You cannot request a reprint of a corrected Form 1095-B before it is processed. The corrected Form 1095-B will have the “Corrected” check box marked at the top of the form.

Changes within a MEDS record that qualify as a correction are:

- a. A new or corrected SSN
  - i. Pseudo MEDS-ID to Numeric MEDS-ID
  - ii. A new Numeric MEDS-ID replaces an old Numeric MEDS-ID

- b. A change in the months of qualified MEC
  - i. Any change in aid code for any given month that will add or remove MEC status for a beneficiary
- c. A name change if the change occurred after an original Form 1095-B was reported to have a name/SSN mismatch by the IRS

#### Reprinted Form 1095-B Process

Any Form 1095-B previously issued by DHCS can be reprinted through the MEDS IN95 screen at the request of the beneficiary. Reprints can be mailed to a valid address on the beneficiary's MEDS record. Reprinted Form 1095-B can also be mailed to an address not listed on their MEDS record, such as a tax preparer. This type of reprint is referred to as a Tax Filer Reprint with an Address Override. The new address is recorded on the reprinted request listed on the IN9S summary screen for auditing purposes. However, this reprint will not update the address in the beneficiary's MEDS record.

Both types of reprinted Form 1095-Bs will be automatically printed and mailed to the individual during DHCS' next Form 1095-B monthly mailing. You cannot request a reprint for a record with a pending reprint. You must cancel the pending reprint to request another.

#### **Reporting of MEC to IRS and FTB**

As required by the Int. Rev. Code § 6055 and California Revenue and Tax Code § 61005, DHCS must report Form 1095-B and MEC data to the IRS and FTB electronically by March 31 of each year following the tax year DHCS provided MEC. Additionally, DHCS will report any corrections to beneficiary information or MEC on the Form 1095-B to the IRS and FTB for the last four tax years.

If a beneficiary meets the Federal MEC requirements for the IRS, they will also meet the State MEC requirements for the FTB and their MEC data will be transmitted to the IRS and FTB. However, a beneficiary can meet the State MEC requirements for the FTB but NOT meet Federal MEC requirements for the IRS. Those beneficiaries will not be reported to the IRS and the IRS transmission status will reflect that their MEC does not qualify for IRS transmission. Refer to Attachment 1 for more information and the list of Citizen/Alien Indicator codes and conditions that exclude a beneficiary from 1095-B reporting to the IRS.

#### **Notice for Requested Action (NFRA)**

After DHCS transmits all MEC information to the IRS in January, IRS processes the information and reports any errors to DHCS. CEWs can use the IN95 screen in MEDS

to verify the IRS transmission statuses for each tax year MEC has been reported by DHCS. The IRS status indicator on the screen will display the status as “ACCEPTED” or “COVERED INDIVIDUAL NAME AND SSN DO NOT MATCH IRS”.

The NFRA will advise the beneficiary that DHCS had missing or incorrect information and as a result, the IRS reported an error or mismatch. The NFRA will notify all affected beneficiaries to contact their county human services agency to review the information on their record. The IRS does not identify the specific error, but it is always related to a discrepancy between the name and SSN in the MEDS record and the information reported by the beneficiary on their federal tax return.

NFRA processes only apply to MEC reported to the IRS and does not apply to FTB reporting. For more information about specific scenarios and CEW actions related to the NFRA, refer to Attachment 1.

### **Federal/State MEC MEDS Screens**

The Form 1095-B MEDS screens were developed to store annual MEC and related 1095-B data. The screens also allow county users to request a reprint of the original Form 1095-B and make necessary updates related to IRS errors. The Form 1095-B MEDS screens are the IN95 Federal/State MEC Inquiry, IN9S Federal/State MEC Summary, and IN9D Federal/State MEC Detail/Reprint. All MEDS users, including those with read-only access, are able to utilize these screens and request Form 1095-B reprints.

#### IN95- Federal/State MEC Inquiry Screen

The IN95 Inquiry screen is used to search for a client’s Form 1095-B information. The IN95 Inquiry screen may be accessed from any blank MEDS screen by typing “IN95” and pressing enter. The search can be completed using either MEDS ID or CIN and has the ability to limit the search to a particular tax year or to display all tax years.

#### IN9S- Federal/State MEC Summary Screen

When a search is completed for a particular beneficiary using the IN95 Inquiry Screen, and the search is successful in identifying a match, the IN9S Summary screen will be displayed. The IN9S Summary Screen provides a list of Form 1095-B documents that have been issued for the beneficiary. This screen also includes the type/reason for any reprints requested or corrections made, if any.

#### IN9D- Federal/State MEC Detail/Reprint Screen

After completing a successful search and choosing a particular Form 1095-B document to view, the IN9D Detail/Reprint screen displays the details of the information that was

on the Form 1095-B document, including the beneficiary's name, SSN, DOB, address, and months of MEC. This screen also displays the dates the Form 1095-B was generated and processed for printing and details the IRS and the FTB transmission statuses.

Any Form 1095-B that was previously generated is available for reprint and mailing to the current MEDS address or another designated address, upon beneficiary's request.

Additional information about the Form 1095-B MEDS screens, including instructions and system screen shots, are available to MEDS users within the MEDS Manual. For security purposes, the MEDS instructions are not available for public review.

### **Live Support Call Center**

DHCS provides direct call center support for all beneficiaries who are seeking information about Form 1095-B. To accomplish this, DHCS utilizes a vendor call center, referred to as the "Medi-Cal Help Desk," to provide a dedicated phone line to assist individuals with questions about the Form 1095-B and DHCS' related processes. The call center provides services Monday through Friday, 8 am to 5 pm PST, except for major holidays. The telephone number is provided to customers on DHCS' website, the Form 1095-B, related mailings, and DHCS' social media pages. The Medi-Cal Help Desk phone number is 1-844-253-0883.

Call center staff do not have access to MEDS or the ability to correct or reprint the Form 1095-B. Callers requesting those Form 1095-B services will be referred to their local county human services agencies, SSA, or MAXIMUS accordingly.

### **Materials Required at Application**

[ACWDL 20-22](#) provides counties and the Statewide Automated Welfare System (SAWS) with guidelines on the required print materials to send to all households upon application for insurance affordability programs and to all Medi-Cal beneficiary households annually or at the time of their annual renewal packet mailing. This letter also reminds counties that the Medi-Cal Eligibility Division (MCED) Form MC Information Notice 020 - Notice to Beneficiaries regarding IRS Form 1095-B must also be offered/made available to all households at application for insurance affordability programs. The English and Spanish Form 1095-B Beneficiary Notice can be found on DHCS' website at:

<https://www.dhcs.ca.gov/formsandpubs/forms/Pages/MCEDFormsMCinfo.aspx>.

If you have any questions, or if we can provide further information, please contact DHCS at [MECmandate@dhcs.ca.gov](mailto:MECmandate@dhcs.ca.gov).

All County Welfare Directors Letter No.: 21-11  
Page 10  
July 2, 2021

Originally Signed by

Sandra Williams, Chief  
Medi-Cal Eligibility Division

Enclosure

## **Form 1095-B Beneficiary Scenarios**

This section contains instructions for county eligibility workers (CEWs) dealing with scenarios that occur through beneficiary contact or case management for Form 1095-Bs issued by the Department of Health Care Services (DHCS).

**1. What does the county do if a beneficiary asks about their Form 1095-B and IRS Tax Form 1095-A reflecting the same months of coverage?**

If the beneficiary has dual (overlapping) eligibility in the Medical Eligibility Data System (MEDS) with both a Medi-Cal aid code and a Covered California (Covered CA) aid code, the county shall follow existing processes for determining the correct action to take. This may include terminating an incorrect Medi-Cal aid code or submitting a Remedy ticket to request the Covered CA aid code be terminated.

**2. What does the county do when a beneficiary comes in with two or more Form 1095-Bs for themselves associated with different Client Index Numbers (CINs)?**

If the beneficiary has multiple records in MEDS, the county shall follow existing processes and combine or link the records when appropriate. If assistance is needed to combine or link the records, the county shall open a Remedy ticket. If the action results in a frozen record, the IN95 screen will display the frozen record. A frozen record may be viewed for historical purposes but cannot be selected for reprinting.

**3. What steps does the county take to fix a Form 1095-B if it is reporting the wrong coverage for the beneficiary?**

This can happen when the beneficiary is linked to an incorrect MEDS record (mislinked). If this is the case, the county shall open a Remedy ticket for DHCS' assistance. After the records have been unlinked, each record involved is automatically evaluated for generation of a Form 1095-B (correction or original). If appropriate, Minimum Essential Coverage (MEC) data is then automatically transmitted to the IRS and FTB, and the beneficiary will get a Form 1095-B for each applicable tax year.

**4. What steps does the county take to correct incorrect information on a Form 1095-B?**

Incorrect information

If the beneficiary's name, address, Social Security Number (SSN) and/or MEC information is incorrect, the county shall correct the information in the Statewide Automated Welfare System (SAWS) and MEDS. If assistance is needed to correct the records, the county shall open a Remedy ticket. The changed information will be automatically evaluated for generation of a corrected Form 1095-B. Please note that name changes in MEDS will impact any Form 1095-B that is mailed after the name change is completed, but will not update any Form 1095-B that was already generated. If the information in MEDS was incorrect, the CEW should check for any IRS errors and address them following the processes outlined in question 15 of this Attachment.

### Gaps in Coverage

When contacted by beneficiaries, CEWs should evaluate whether the beneficiary should have been aided through a Medi-Cal aid code considered MEC and take corrective action as necessary. If a beneficiary receives an eligibility determination that retroactively establishes or reinstates MEC for a tax year previously reported to the Internal Revenue Service (IRS) and Franchise Tax Board (FTB), a corrected Form 1095-B will be automatically printed and mailed to the beneficiary during DHCS' next Form 1095-B monthly mailing. The corrected information will also be transmitted to the IRS and FTB. If a Form 1095-B was not originally issued for the beneficiary due to lack of MEC during the calendar year, one will be issued at the time MEC was retroactively granted and the MEC will be reported to the IRS and FTB.

**5. What steps does the county take when a beneficiary comes in with a Form 1095-B that does not have a SSN?**

If the beneficiary is assigned a pseudo MEDS-ID and reports an actual SSN, the county will update the information in SAWS and MEDS. When this occurs, the corrected data is automatically transmitted to the IRS and FTB, and the beneficiary will get a corrected Form 1095-B for each applicable tax year within the last 4 years. If assistance is needed to correct the records, the county should open a Remedy ticket.

**6. What steps does the county take when an out-of-state beneficiary contacts us requesting a Form 1095-B?**

If a beneficiary no longer resides in California and still has active eligibility on an open case, the county shall update SAWS with the new out-of-state address prior to terminating the case. If the SAWS record was already closed prior to receiving the out-of-state address information, the county shall complete an online address change to MEDS and update the closed case in SAWS according to that system's process.

When an address change occurs and the beneficiary requests an immediate copy of their Form 1095-B, the CEW must request a form type T to have the Form 1095-B immediately mailed to the new address. Otherwise, the county can wait until the address change is updated in MEDS and then request a form type M to send to the current MEDS address (if valid-address flag "A"-Address certified via Finalist, "C"-County Override, not certified via Finalist or "W"- (Benefits Identification Card (BIC) mailed – previously A).

**7. What steps does the county take to correct a Form 1095-B if the beneficiary's coverage changed and is not reflected on their Form 1095-B?**

A corrected Form 1095-B is automatically generated when an update, which qualifies as a correction, is made to a beneficiary's record in MEDS that had already been transmitted to the IRS and the FTB within the last four tax years. When this occurs, the corrected data is transmitted to the IRS and FTB. A corrected Form 1095-B will be automatically printed and mailed to the individual during DHCS' next Form 1095-B monthly mailing. The corrected Form 1095-B will have the "Corrected" box check

marked at the top of the form.

Retroactive determinations or reinstatement of eligibility

DHCS pulls MEC data for annual Form 1095-Bs from MEDS after MEDS Renewal at the end of November each year. If the eligibility was not displayed on MEDS at that time, the MEC will not be captured on the Form 1095-B issued for that tax year. However, if a beneficiary receives an eligibility determination that retroactively establishes or reinstates MEC for a tax year previously reported to the IRS and FTB, a corrected Form 1095-B will be automatically printed and mailed to the beneficiary during DHCS' next Form 1095-B monthly mailing. The corrected information will also be transmitted to the IRS and FTB. If a Form 1095-B was not originally issued for the beneficiary due to lack of MEC during the calendar year, one will be issued at the time MEC was retroactively granted and the MEC will be reported to the IRS and FTB.

**8. What steps does the county take if a family member contacts the county for a Form 1095-B for a deceased beneficiary?**

Form 1095-Bs will not be printed and mailed to beneficiaries who are deceased. However, in the event a family member or authorized individual requests a Form 1095-B for a deceased beneficiary, a reprint can be requested. Counties shall follow existing MEDS processes for verifying and reporting deceased information to MEDS before requesting a reprint of the Form 1095-B. If assistance is needed to correct the records, the county shall open a Remedy ticket.

If the reprinted Form 1095-B needs to be mailed to an address other than what is listed on MEDS, the county can use the tax filer - Reprint with an Address Override (IN9S TYP "T") to process the request through the MEDS IN95 screen. The new address is recorded for auditing purposes but will not update the address in the beneficiary's MEDS record.

**9. What are counties to do regarding Form 1095-B for foster parents, adoptive parents and legal guardians?**

Foster parents, adoptive parents and legal guardians fall under the same rules as biological parents regarding MEC. The foster parent, adoptive parent, or legal guardian that claims the child as a dependent for the given tax year is responsible for maintaining MEC for the child and is potentially liable for any tax penalties associated with lack of MEC for the child. Parents who cannot claim the child as a dependent are not liable for tax penalties for the months they were responsible for the child.

If the adoption or placement of the child occurs during the given tax year, the foster parent, adoptive parent or legal guardian will only be liable for maintaining MEC and any associated tax penalties for lack of MEC beginning the month following the adoption or placement of the given tax year.

If a foster parent, adoptive parent, or legal guardian would like to request an additional copy of a Form 1095-B for their child, they may request a reprint through

their county human services agency.

**10. What are counties to do regarding biological parents requesting Form 1095-B for their child(ren) who were placed in foster care?**

Parents of a child that entered foster care during the year may not have received a Form 1095-B on behalf of their child. Until further guidance is received from Centers for Medicare & Medicaid Services (CMS), DHCS' policy is to not issue or provide reprints of Form 1095-B to biological parents of foster children.

**11. What are counties to do when a parent or guardian is requesting the Form 1095-B for their children who didn't receive their Form 1095-B due to a P.O. Box mailing address?**

The United States Postal Service (USPS) does not deliver mail for children who have not been registered under their parents Post Office (P.O.) Box. The mailings to these children will be returned to DHCS, which will generate an IRS Undeliverable Mailing alert and an address flag of "9" (NOA returned – previously Good Deliverable or Presumed Deliverable Address) that will prevent future mailings to this address even though the address is still valid (address flag A-Address certified via Finalist, C-County Override, not certified via Finalist, or W-BIC mailed – previously A).

The county shall complete an EW12 transaction (Update Client Information) for an address change to MEDS and update the Care of Line with child's name but without an address. This transaction will lift the address flag of "9" and restore the previous status of the address. The eligibility worker may follow up on the next business day when the MEDS record is updated with the new populated Care of Line and request a reprint of the Form 1095-B on IN9S (TYP "M" MEDS address). For immediate mailing request, the county may request a reprint of the Form on IN9S (TYP "T" – tax filer (address override)) and add the parent or guardian's name to the Care of Line with the appropriate mailing address.

**12. What should counties do when they receive Form 1095-B MEDS alerts and a record for their county is no longer active?**

When counties encounter a non-active case that has a Form 1095-B related alert for undeliverable mail, counties are to disregard these cases. In the event that a former beneficiary contacts the county regarding their Form 1095-B information, counties shall verify the address on MEDS. If an address update is necessary, the county shall update the former beneficiary's record with the new mailing address. The eligibility worker may follow up on the next business day when the MEDS record is updated with the new address and request a reprint of the Form 1095-B on IN9S (TYP "M" MEDS address). For immediate mailing request, the county may request a reprint of the Form on IN9S (TYP "T" – tax filer (address override)).

**13. What should counties do regarding homeless populations and Form 1095-B undeliverable mail?**

In some instances, counties have been providing homeless populations with a physical address, such as the department's physical address or an established P.O. Box, in which the beneficiary may have mail sent to for establishing eligibility in that

county.

Due to the Form 1095-B process concerning undeliverable mail, counties may utilize the EW12 transaction (Update Client Information) to update the address flag to “8” (No specific residence reported) for this population. By flagging each record with an “8” it will stop the Form 1095-B mailing. This will reduce the amount of return mail each county will receive, reduce workload due to undeliverable mail, and reduce the amount of possible negative actions that could affect this population. If a beneficiary from this population would like to have their Form 1095-B reprinted, counties may use the tax filer request (IN9S TYP “T” - reprint with an address override) and forward their reprint to any temporary address, including the Department’s physical address or the established PO Box.

**14. The beneficiary’s healthcare coverage meets MEC for the FTB, but not the IRS. Why is this?**

If a beneficiary meets the MEC requirements for the IRS, they will always meet the MEC requirements for the FTB and their MEC data will be transmitted to both. However, a beneficiary can meet the MEC requirements for the FTB but NOT meet MEC requirements for the IRS.

When this happens, an IRS transmission status of, “N/A- MEC DOES NOT QUALIFY FOR IRS TRANSMISSION” will be displayed. This is generally due to the fact that the beneficiary’s citizenship/immigration status does not meet IRS MEC requirements. In these cases, county eligibility workers shall refer to the MEDS QE screen to determine if a beneficiary meets MEC for FTB and/or IRS based on the beneficiary’s Citizen/Alien Indicator, Alien Eligibility Code, Entry/Grant Date, and age.

The following MEDS Citizen/Alien Indicator codes and conditions will exclude a beneficiary’s Form 1095-B from being reported to the IRS:

<b>Indicator</b>	<b>Conditions for Exclusion of the Form 1095-B From Being Reported to the IRS</b> NOTE: Beneficiaries must meet <u>ALL</u> of the criteria to be excluded
<b>2</b>	Do not have an Alien Eligibility Code of “9”; <b>and</b> are 21 years of age or older; <b>and</b> not in a pregnancy aid code. <b>OR</b> Have an Alien Eligibility Code of “9”; <b>and</b> have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> are 21 years old or older; <b>and</b> not in a pregnancy aid code.
<b>C</b>	Have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> do not have an Alien Eligibility Code of “4, 5, 6 or 8”; <b>and</b> are 21 years of age or older; <b>and</b> not in a pregnancy aid code.

Attachment 1 – Form 1095-B Beneficiary Scenarios

<b>K</b>	Have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> do not have an Alien Eligibility Code of “4, 5, 6, or 8”; <b>and</b> are 21 years of age or older; <b>and</b> not in a pregnancy aid code.
<b>S</b>	Do not have an Alien Eligibility Code of “9”. <b>OR</b> Have an Alien Eligibility Code of “9”; <b>and</b> have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> are 21 years old or older; <b>and</b> not in a pregnancy aid code.
<b>T</b>	Do not have an Alien Eligibility Code of “9”. <b>OR</b> Have an Alien Eligibility Code of “9”; <b>and</b> have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> are 21 years old or older; <b>and</b> not in a pregnancy aid code.
<b>U</b>	Do not have an Alien Eligibility Code of “9”. <b>OR</b> Have an Alien Eligibility Code of “9”; <b>and</b> have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> are 21 years old or older; <b>and</b> not in a pregnancy aid code.
<b>V</b>	Do not have an Alien Eligibility Code of “9”; <b>and</b> are 21 years of age or older; <b>and</b> not in a pregnancy aid code. <b>OR</b> Have an Alien Eligibility Code of “9”; <b>and</b> have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> are 21 years old or older; <b>and</b> not in a pregnancy aid code.
<b>W</b>	Have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> do not have an Alien Eligibility Code of “4, 5, 6 or 8”; <b>and</b> are 21 years old or older; <b>and</b> not in a pregnancy aid code.
<b>Y</b>	Do not have an Alien Eligibility Code of “9”; <b>and</b> are 21 years of age or older; <b>and</b> not in a pregnancy aid code. <b>OR</b> Have an Alien Eligibility Code of “9”; <b>and</b> have a date of entry after 9/1/1996 and less than 5 years ago; <b>and</b> are 21 years old or older; <b>and</b> not in a pregnancy aid code.

**15. When a beneficiary contacts the county as a result of receiving a Notice for**

**Requested Action (NFRA), how should counties proceed?**

After DHCS transmits all MEC information to the IRS in January, IRS processes the information and reports any errors to DHCS. When this occurs, DHCS issues a NFRA which advises the beneficiary to contact their local county office to have their Medi-Cal record reviewed. A MEDS alert is also generated to alert the county of the error. The IRS does not identify the specific error, but it is always related to a discrepancy between the name and SSN in the MEDS record and the information reported by the beneficiary on their federal tax return.

NFRA processes only apply to MEC reported to the IRS and does not apply to FTB reporting. Below are suggested guidance for resolving IRS errors resulting in an NFRA:

- For beneficiaries with **correct MEDS data and IN95 record information**:
  - They might be filing under a different name with the IRS. The individual may take their Form 1095-B to the IRS to reconcile their record with the IRS directly.
- For beneficiaries with the same MEDS and IN95 record information who have an **incorrect first or last name**:
  - The county can process an EW12 transaction (Update Client Eligibility) to update the demographic information on the MEDS record. This will ensure future data is correct.
  - The county will then update the IN95 screen records for each tax year that is incorrect with an “E” request. This will allow a name change to occur on the record that will generate a Corrected Form 1095-B.
- For beneficiaries with the same MEDS and IN95 record information who have an **incorrect SSN**:
  - The county shall process an EW10 transaction (MEDS-ID Change) to update the SSN. If the transaction fails, please submit a Remedy ticket.
  - During batch, the change automatically updates the IN95 record and generates a Corrected Form 1095-B. No further action is required.
- For beneficiaries with the same MEDS and IN95 record information who have **a reported error and a pseudo SSN**:
  - The county shall follow current procedures regarding SSN Verification processes with regard to the program the individual is participating in.
  - If an updated SSN can be obtained, please follow the same process as an individual with an **incorrect SSN**.
  - If the individual does not provide an update, they may take their Form 1095-B to the IRS to reconcile their record with the IRS directly.
  - Unless the county performs an action regarding SSN verification, no further action is required regarding Form 1095-B.
- For beneficiaries that **no longer have an active county case**:

Attachment 1 – Form 1095-B Beneficiary Scenarios

- If the first or last name was incorrect, the county shall follow the same process as an individual with **an incorrect first or last name**.
- If the SSN is incorrect:
  - County of Responsibility shall submit a Remedy ticket to update the inactive case with the correct SSN.
    - This process is the same for beneficiaries receiving benefits through SSI/SSP.
    - Counties shall not send beneficiaries to the SSA for this update.