



HEALTH CARE FOR ALL

Affordability & Individual Mandate Policies - Affordable Care Act and Massachusetts 2015

AFFORDABLE CARE ACT (FEDERAL) INDIVIDUAL MANDATE

The federal Affordable Care Act (ACA) includes an individual mandate – a requirement that most U.S. residents (including children) have health insurance or pay a penalty. The individual mandate is also known as the “individual shared responsibility”.

Affordability Standards

Your health coverage is considered affordable if the monthly premium of the lowest-cost **individual** plan available to you costs 9.66% or less of your household income.

Coverage Standards

According to federal law, you must have health coverage that meets **minimum essential coverage (MEC)** or pay a penalty

Minimum essential coverage includes the following:

- Any health insurance plan offered on the state marketplace (Health Connector) or any individual/family insurance plan you already have that meets MEC standards
- Any employer plan (including COBRA). This includes retiree plans.
- Medicare Part A or C (Medicare Part B by itself does not meet MEC.)
- Medicaid (MassHealth, except Limited benefits)
- Most TRICARE plans (for current service members and military retirees, their families, and survivors)
- Veterans health care programs (including the Veterans Health Care Program, VA Civilian Health and Medical Program (CHAMPVA), and Spina Bifida Health Care Benefits Program)
- Refugee Medical Assistance
- Most student health insurance plans

Exemptions (Reasons You May Not Have to Pay a Federal Tax Penalty)

If you fall into any of these categories, you may not have to pay a federal tax penalty, even if you didn't have health insurance during the year. You will need to fill out a form with the Federal Marketplace in order to get certain exemptions.

Reasons You May Not Have to Pay a Federal Tax Penalty	What do you need to do to avoid a federal tax penalty?
You were uninsured for less than 3 months of the year (only 1 gap allowed)	Indicate on federal tax return
The lowest-cost coverage available to you would cost more than 8.05% of household income	Indicate on federal tax return
Your income was below tax-filing threshold (you are not required to file a tax return)*	Nothing
You are a member of federally recognized tribe or eligible for service through Indian Health Services provider	Apply for exemption through Federal Marketplace or indicate on federal tax return
You are a member of recognized health care sharing ministry	Apply for exemption through Federal Marketplace or indicate on federal tax return
You are a member of recognized religious sect with religious objections to insurance, including Social Security and Medicare	Apply for exemption through Federal Marketplace
You are incarcerated and not awaiting disposition of charges against you	Apply for exemption through Federal Marketplace or indicate on federal tax return
You are not lawfully present in the U.S. (undocumented immigrants)	Indicate on federal tax return

***2015 Federal Tax Filing Requirement Thresholds**

Filing Status	Age	Must File a Tax Return If Gross Yearly Income Exceeds
Single	Under 65	\$10,300
	65 or older	\$11,850
Head of Household	Under 65	\$13,250
	65 or older	\$14,800
Married Filing Jointly	Under 65 (both spouses)	\$20,600
	65 or older (one spouse)	\$21,850
	65 or older (both spouses)	\$23,100
Married Filing Separately	Any age	\$4,000
Qualifying Widow(er) with Dependent Children	Under 65	\$16,600
	65 or older	\$17,850

Hardship Exemptions (Additional Reasons You May Not Have to Pay a Federal Penalty)

If you have any of the circumstances below that affect your ability to purchase health insurance coverage, you may qualify for a “hardship” exemption. You must apply for a hardship exemption to the federal individual mandate through the Federal Health Insurance Marketplace.

- You were homeless.
- You were evicted or were facing eviction or foreclosure.
- You received a shut-off notice from a utility company.
- You recently experienced domestic violence.
- You recently experienced the death of a close family member.
- You experienced a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property.
- You filed for bankruptcy.
- You had medical expenses you couldn’t pay.
- You experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member.
- You expect to claim a child as a tax dependent who’s been denied coverage in Medicaid and CHIP in 2015, and another person is required by court order to give medical support to the child. In this case, you do not have to pay the penalty for the child.
- As a result of an eligibility appeals decision, you’re eligible for enrollment in a qualified health plan (QHP) through the Marketplace, lower costs on your monthly premiums, or cost-sharing reductions for a time period when you weren’t enrolled in a QHP through the Marketplace in 2015.
- Your individual insurance plan was cancelled after June 30, 2015 and you believe other Marketplace plans are unaffordable.
- You experienced another hardship in obtaining health insurance.

Penalty Amounts

The amounts below are annual amounts; penalties are pro-rated by the number of months that you went without health insurance coverage.

For 2015, the annual penalty amount is:

- The greater of:
 - 2% of your household income that is above the tax return filing threshold for your filing status, or
 - Your family’s flat dollar amount, which is \$325 per adult and \$162.50 per child under age 18, limited to a family maximum of \$975.

For 2016, the annual penalty amount is:

- The greater of:
 - 2.5% of your household income that is above the tax return filing threshold for your filing status, or

- Your family's flat dollar amount, which is \$695 per adult and \$347.50 per child under age 18, limited to a family maximum of \$2,085.

After 2016, the penalty amounts increase with inflation.

MASSACHUSETTS (STATE INDIVIDUAL MANDATE)

Massachusetts also has its own individual mandate - a law that requires all adults ages 18 and older to have health insurance or pay a penalty.

Affordability Standards

Your health coverage is considered affordable if you pay at or less than the amount in the Affordability Schedule, which is determined by the Health Connector. The amounts for **2015** are below:

Individuals

% of FPL	Yearly Income	Affordability Standard (Maximum Percentage of Income)
0-150%	\$0-17,505	0%
150.1-200%	\$17,506-23,340	2.75%
200.1-250%	\$23,341-29,175	4.00%
250.1-300%	\$29,176-35,010	4.85%
300.1-350%	\$35,011-40,845	7.20%
350.1-400%	\$40,846-46,680	7.40%
Above 400%	\$46,681	8.05%

Couples

% of FPL	Yearly Income	Affordability Standard (Maximum Percentage of Income)
0-150%	\$0-23,595	0%
150.1-200%	\$23,596-31,460	4.05%
200.1-250%	\$31,461-39,325	5.95%
250.1-300%	\$39,326-47,190	7.20%
300.1-350%	\$47,191-55,055	7.20%
350.1-400%	\$55,056-62,920	7.40%
Above 400%	\$62,921	8.05%

Families

% of FPL	Yearly Income	Affordability Standard (Maximum Percentage of Income)
0-150%	\$0-29,685	0%
150.1-200%	\$29,686-39,580	3.25%
200.1-250%	\$39,581-49,475	4.75%
250.1-300%	\$49,476-59,370	5.75%
300.1-350%	\$59,371-69,265	7.20%
350.1-400%	\$69,266-79,160	7.40%
Above 400%	\$79,161	8.05%

Coverage Requirements

In order to meet the state individual mandate in Massachusetts, you must have health coverage that meets certain requirements, known as **minimum creditable coverage (MCC)**. All health insurers are required to tell you if your plan meets MCC.



Look for these symbols on your health plan documents. The check mark (left) indicates that the plan meets MCC. A check mark with a slash (right) indicates that it does not.

Exemptions (Reasons You May Not Have to Pay a Massachusetts Penalty)

If you fall into any of these categories, you do not have to pay a state penalty, even if you didn't have health insurance during the year.

Reasons You May Not Have to Pay a Massachusetts Tax Penalty	What do you need to do to avoid a Massachusetts tax penalty?
You are uninsured for less than 3 months (multiple gaps allowed)	Indicate on state tax return
The coverage available to you is not affordable to you based on Health Connector rules	Indicate on state tax return or file a certificate of exemption ahead of time*
Your income is below 150% FPL (\$17,664/year for an individual)	Indicate on state tax return
You are a child	Indicate on state tax return
You have sincerely held religious beliefs that object to insurance	File a sworn affidavit with your state tax return

****Certificate of Exemption***

You can request an exemption based on affordability before the end of the year, before you file your taxes. The Connector will accept requests from you if you:

- will be filing a Massachusetts personal income tax return,
- have sought to purchase health insurance coverage through the Connector, and
- seek a certificate stating that no Connector health plans are affordable for you.

Requests for certificates must be received by the Connector before December 1st in the tax year for which the penalty may be assessed. Requests for certificates will only be considered if the request is made in the same tax year for which the penalty may be assessed (you cannot file a certificate for past or future years).

Hardship Appeals (Additional Reasons You May Not Have to Pay a Massachusetts Tax Penalty)

You may be able to appeal a tax penalty if you have any of the circumstances below that affect your ability to purchase health insurance coverage that meets MCC.

- You were homeless, or more than 30 days late in rent or mortgage payments, or received an eviction or foreclosure notice.
- You received a shut-off notice, or were shut off, or were refused delivery of essential utilities (gas, electric, oil, water, or telephone).
- You incurred a significant, unexpected increase in essential expenses resulting directly from:
 - Domestic violence;
 - Death of a spouse, family member, or partner with primary responsibility for child care where that spouse, family member or partner had shared household expenses;
 - Sudden responsibility for providing full care for an aging parent or other family member, including major, extended illness of a child that requires a working parent to hire a full-time caretaker for the child;
 - Fire, flood, natural disaster, or other unexpected natural or human-caused event; or causing substantial household or personal damage for you.
- The Health Connector will consider if any other reasons you may claim demonstrate that you could not afford to purchase health insurance that met minimum creditable coverage.

What do you need to do to file a hardship appeal?

Complete the appeal section on the Schedule HC tax form. The Department of Revenue will send you a letter asking you to write down your reasons for the appeal and you will have to submit documents to support these reasons and send to the Health Connector. You need to respond within the timeframe in the letter or you cannot appeal and you will have to pay the penalty.

Penalty Amounts

If you do not have health coverage and do not meet any of the exemptions above, you may have to pay a penalty. The penalty amounts for the Massachusetts health insurance mandate are half the cost of the lowest-cost plan that would be offered to you through the Health Connector for each month that you were uninsured. The penalty amounts in **2015** for individual adults are:

% of FPL	Yearly Income	Penalty Amount
150.1-200%	\$17,664-23,544	\$20/month \$240/year
200.1-250%	\$23,545-29,436	\$39/month \$468/year
250.1-300%	\$29,436-35,316	\$59/month \$708/year
Above 300% FPL Ages 18-30	Above \$35,317	\$60/month \$720/year
Above 300% FPL Ages 31+	Above \$35,317	\$91/month \$1,092/year

PAYING PENALTIES ON MASSACHUSETTS AND FEDERAL TAXES

Massachusetts is keeping the state individual mandate in addition to the federal individual mandate. No one will pay double penalties. You always have to pay the federal penalty in full. This is how the state will calculate your state penalty if you are subject to both the state and federal penalty:

- If the federal penalty is greater than the state penalty, then the state penalty amount is \$0.
- If the federal penalty is less than the state penalty, then the state penalty amount is the state penalty minus the federal penalty.