

## HR CLINIC

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### Repeal of Federal Health Care Individual Mandate Leading to State-Level Mandates & Enforcement

Made official in 2019, the Federal Government repealed the penalties for individuals failing to maintain a qualified health insurance policy. The removal of the penalty, did not affect any other provisions set in place by the Patient Protections and Affordable Care Act (PPACA). Individuals are still required to maintain health insurance, either through their employer or an individual policy, such as those provided through the healthcare marketplace.

Since the repeal, a number of states have adopted or are drafting legislation to create individual mandates at the state level. According to an article by the Kaiser Family Foundation, the states are beginning to take such steps, but with notably different approaches. Some key differences revolve around the definition of Minimum Essential Coverage (MEC), which entities will require reporting and even what reporting forms will be accepted. Under the PPACA, forms 1094 and 1095 are still required to report coverage to the federal government. Some states continue to use them, while others may choose to create their own.

Prior to the enactment of the PPACA, **Massachusetts** was the first to adopt an individual mandate. In fact, the Massachusetts Health Care Reform Law became effective in 2007. Since that time, it penalizes adults 18 and over with access to affordable health insurance, but who fail to obtain it. It's 2019 penalty structure ranges from \$264 to \$1524 per year. [Click here for penalty details.](#)

Proof of coverage in Massachusetts is filed as part of an individual's state tax return. Massachusetts views Minimum Creditable Coverage (MCC) differently than the tenets established by the Federal Government. [Those details and more, may be found here.](#)

New Jersey reinstated its own version of the ACA penalty with the New Jersey Health Insurance Market Preservation Act (NJHIMPA). It became effective January 1, 2019, with its own state-determined MEC requirement. Residents must provide proof of coverage as part of their state tax return - requiring employers and coverage providers to provide proof of coverage forms to the State. Further, New Jersey is using the federal 1094 and 1095 forms for reporting. [Click here for details.](#)

The new **District of Columbia** law (known as the Individual Taxpayer Health Insurance Responsibility Requirement) also reinstated the individual mandate with MEC to be maintained by DC residents. For those who do not maintain coverage, a penalty will be paid unless the

individual qualifies for an exemption. [Click here for additional guidance and other pertinent details.](#)

In addition to Massachusetts, New Jersey and D.C., **Vermont and California** currently have mandate provisions in development (coming 2020), while **Rhode Island** also expects recent legislation efforts to take root sometime next year. Additionally, **Oregon, Washington, Minnesota, Maine, Maryland** and **Hawaii** are all “actively considering” individual health coverage mandate requirements for adult residents.

If you have any questions or concerns, please contact your dedicated HRWS Advisory Team.