

U.S. House and Senate Notification

Wednesday, January 30, 2013

To: Congressional Health Staff

From: Lauren Aronson

Director, Office of Legislation

Centers for Medicare & Medicaid Services

Re: Proposed Rules for Minimum Essential Coverage and Individual Shared Responsibility for Health Insurance Coverage

Today the Centers for Medicare & Medicaid Services (CMS) and the Internal Revenue Service (IRS) each issued proposed rules related to the Affordable Care Act's shared responsibility provision and eligibility for exemptions from the provision.

Starting in 2014, the individual shared responsibility provision calls for each individual to have basic health insurance coverage, known as "minimum essential coverage", qualify for an exemption, or make a shared responsibility payment when filing a federal income tax return. The two rules outline the nine categories of individuals who are either entirely exempt from the requirement to maintain minimum essential coverage or who are exempt from the associated tax penalty.

The CMS proposed rule (CMS-9958-P) proposes eligibility standards related to the categories of exemptions that will be handled by the Exchange, a verification and eligibility determination process for these categories of exemptions, an option for State-based Exchanges to use a federally-managed service for conducting eligibility determinations for exemptions (instead of the Exchange handling this independently), procedures for addressing changes in eligibility for exemptions during a calendar year, Exchange reporting to IRS, and other supporting functions. In addition, this rule proposes that certain coverage be designated as minimum essential coverage by the Secretary, and outlines substantive and procedural requirements that other types of individual coverage must fulfill to be recognized as minimum essential coverage.

The CMS rule can be found here: http://www.ofr.gov/OFRUpload/OFRData/2013-02139_PI.pdf

The IRS rule can be found here: http://www.ofr.gov/OFRUpload/OFRData/2013-02141_PI.pdf

A fact sheet about these rules can be found here: http://www.cms.gov/apps/media/fact_sheets.asp