



# Compliance Alert

January 19, 2009

## Massachusetts Health Care Reform Act of 2006

Last January we provided you with information regarding the Massachusetts Health Care Reform Act, which became law on April 12, 2006. This law requires Massachusetts residents to have health insurance and penalizes those who do not obtain health care coverage.

This Act requires Massachusetts residents age 18 and older to obtain and maintain health insurance that meets the state's minimum creditable coverage standard. These standards have changed and the requirements can be found at the website below.

Massachusetts has deemed that anyone with health care coverage in 2007 and 2008 has creditable coverage for the purpose of filing their income tax return as long as they maintain their current coverage, with no breaks in coverage over 63 days.

Employer groups that are subject to the statute are responsible for providing a written notice to their employees/retirees living in Massachusetts regarding the status of their current health care product no later than **January 31<sup>st</sup> each year**. Employers are also responsible to determine whether or not the current health benefits that are provided to their employees/retirees meet the minimum creditable coverage requirements. Sample notices can be found on the website listed below.

Impacted employees/retirees residing in Massachusetts will need the MA-1099 Health Care Coverage information to complete their state income tax returns, along with the "creditable coverage" status of their health care coverage. If unable to demonstrate "creditable coverage", the employee/retiree may lose personal exemption when filing personal state income taxes.

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Employers are encouraged to send their impacted employees/retirees residing in Massachusetts the MA-1099 HC information by **January 31, 2009**.

For additional information, forms and sample notices please visit:

<http://www.mahealthconnector.org/portal/site/connector/>

***If you have any questions regarding this information, please contact your Group Benefit Services Account Manager at 1.800.638.6085.***

*This communication is not intended to be legal advice and should not be construed as legal advice. If you have any legal questions or concerns about your plan, GBS recommends seeking counsel from an ERISA attorney.*

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