

From: [CMS Insurance Oversight](#)
To: [CMS Insurance Oversight](#)
Subject: Maintaining MEC Status for Enrollees in Your Plan(s)
Date: Monday, March 25, 2019 10:59:30 AM

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

Dear MEC Plan Sponsor:

The U.S. Department of Health and Human Services (HHS) currently recognizes one or more of the health plans sponsored by your organization as minimum essential coverage (MEC). We are writing to explain why MEC status remains relevant for enrollees in your plan, even without tax liability for not having MEC (and not qualifying for an exemption).

Until recently, under the Patient Protection and Affordable Care Act, individuals were required to have MEC for each month, qualify for an exemption, or make an individual shared responsibility payment. Under the Tax Cuts and Jobs Act, which was enacted on December 22, 2017, the individual shared responsibility payment was reduced to \$0, effective for months beginning after December 31, 2018¹. Therefore, starting in 2019, individuals will not incur tax liability for not having MEC (and not qualifying for an exemption).

However, there are several federal consumer protections that relate to whether someone has MEC. For example, individuals who lose MEC are entitled to a special enrollment period (SEP) during which they can sign up for individual health insurance outside of the yearly open enrollment period. This special enrollment opportunity can help qualifying individuals avoid coverage gaps when they lose coverage outside of the annual open enrollment period and could be particularly important to graduating students, who may lose their student health coverage in the middle of the year.

In addition, certain other SEPs to enroll in individual health insurance coverage are contingent upon an individual having MEC prior to the time they apply for the SEP. For example, individuals are entitled to a SEP if they gain a dependent or become a dependent through marriage, or if they gain access to new individual health insurance plans as a result of a permanent move². But this special enrollment opportunity and others are available only to individuals whose prior coverage qualifies as MEC.

HHS recognizes the substantial amount of time and effort on the part of your plan toward receiving MEC recognition, and we believe enrollees benefit as a result of having coverage that meets federal standards for recognition as MEC. To ensure plan enrollees continue to have access to these important benefits and protections under federal law, we encourage you to maintain your plan's MEC status. If, however, you do not intend to maintain MEC recognition, please notify HHS by email at MEC@cms.hhs.gov. If you wish to maintain MEC status for the

plan and make any change to the coverage, the sponsor must notify HHS of the change by sending an email describing the change to MEC@cms.hhs.gov at least 60 days prior to the effective date of the change in coverage. If HHS determines that the change is substantial, it will notify the sponsor that it must reapply to continue to be recognized as MEC³.

We also remind you to comply with the information reporting requirements of section 6055 of the Internal Revenue Code. More information about IRS reporting requirements is available at: <https://www.irs.gov/affordable-care-act/questions-and-answers-on-information-reporting-by-health-coverage-providers-section-6055>.

If you have any questions about this email, please email us at MEC@cms.hhs.gov.

Sincerely,

Kimberly C. Cones
Acting Director, Oversight Group
Center for Consumer Information and Insurance Oversight (CCIIO)

1. Public Law 115-97, 131 Stat. 2054 (2017).
2. See 45 CFR 155.420, 45 CFR 147.104.
3. CMS: "Insurance Standards Bulletin Series - INFORMATION: CCIIO Sub-Regulatory Guidance: Process for Obtaining Recognition as Minimum Essential Coverage" (October 31, 2013), available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/mec-guidance-10-31-2013.pdf>