



Employer *Bulletin*

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etf.wi.gov

Health Insurance Updates

Health Plans, Minimum Essential Coverage and IRS Forms 1040

2014 Internal Revenue Service (IRS) 1040 forms include a line item called "Health Care: Individual Responsibility" that should be completed, per the 1040 Instructions:

"If you had qualifying health care coverage (called minimum essential coverage) for every month of 2014 for your-self, your spouse (if filing jointly), and anyone you could or did claim as a dependent, check the box on this line and leave the entry space blank."

The consulting actuary to the Group Insurance Board has stated that all group health insurance plans offered to the employees and early (non-Medicare) retirees of the State of Wisconsin (State) and participating Wisconsin Public Employer (WPE) groups are considered Minimum Essential coverage. Thus, if an employee asks you for information about this IRS provision, you may tell him or her:

If you are an employee or a pre-Medicare retiree, and you have had State or WPE group health insurance coverage for every month of 2014, you may check the box that you had Minimum Essential Coverage and leave the entry space blank.

The instructions for Form 1040 state that Medicare is Essential Health Coverage. Thus, if you are an annuitant with Medicare Parts A and B coverage in addition to the State or WPE group health insurance coverage, you may check the box that you had Minimum Essential Coverage and leave the entry space blank.

National Medical Support Notice

This bulletin is being issued to help clarify existing documentation found in the *It's Your Choice Reference Guides* (ET-2107r-15 state, ET-2128r-15 WPE) and correct the information found in the Health Insurance Administration Manuals (ET-1118-State, ET-1144 WPE) with regard to the National Medical Support Notice.

The National Medical Support Notice (NMSN) is a federal requirement used to enforce medical support orders for minor children. It is to be used throughout the United States to enroll children in employment related health insurance coverage. The NMSN is only required for employment based insurance coverage and is sent to the employer of the person who is ordered to provide medical insurance coverage.

As indicated in the *It's Your Choice Reference Guides* (Page 13 for both the State and WPE guides), the employee is required to enroll their eligible children named in the NMSN in any medical insurance the employer has available for them. When the employer gets the NMSN, they will have to determine whether the amount of the employee's child support order and the amount of the medical insurance premium, added together, will be more than the percent they are allowed to withhold from the employee's paycheck under the federal Consumer Credit Protection Act. If the

insurance and child support together equal more than this amount, the employer will not enroll the employee's child(ren) in medical insurance.

The NMSN is a qualified medical child support order; therefore, the employee does not have a choice to not enroll children named in the NMSN. Chapter 503 of the Health Insurance Administration Manuals currently states that the employee is not required to provide the coverage through your ETF administered plan and may provide coverage through other means. This is incorrect and is being revised. If health care coverage is available and the employee is eligible, the employer is required to enroll the child or children as instructed in the notice. However, the employer must adhere to limitations imposed on withholding as mandated by withholding laws of the state where the employee is principally employed.

Employers should make a copy of PART A of the NMSN (two pages), keep the original for your files and return the copy to the Issuing Agency with the response page completed. As indicated in Chapter 503 of the Health Insurance Administration Manuals, coverage is effective the first of the month on or after receipt of the application or the date specified on the NMSN, if one is specified.

If an employee chooses to object, the employee must contact the issuing local child support agency as instructed in the NMSN he/she received. The employer must still comply with the NMSN regardless of whether an objection has been made by the employee. In addition to the NMSN (serving as required documentation), the employee must also file a *Group Health Insurance Application/Change Form* (ET-2301) to add the children named in the order to coverage. The employer must file an application on behalf of the employee if the employee fails to comply with the NMSN. If the employee refuses to sign the application, the employer must indicate that on the application.

Special Enrollment Documentation Required in Lieu of Certificates of Creditable Coverage for Eligible Late Entrants

This notice is to inform employers of ETF's revised policy for members who are attempting to enroll in the State or Wisconsin Public Employers (WPE) group health insurance program due to a loss of other coverage, now that health plans are no longer federally required to issue certificates of creditable coverage. Federal law continues to allow us to limit special enrollments to qualifying events such as job loss and we will continue to require documentation to prove this loss.

From this date forward, ETF requires documentation including the following items on letterhead from the previous insurer and/or the former employer where at least the insurer's document is dated and issued after termination of coverage. If separate parts of the information are provided from both the employer and the former insurer on different dates, for example, your employee who lost coverage through his spouse provides a COBRA form from his spouse's former employer stating why coverage ended that is dated prior to the termination date, and the former insurer issues a letter after the termination date stating that coverage terminated on a preceding date, that assortment of documentation is acceptable.

The documentation on letterhead must include:

1. Who was covered (must list the name of the member who is requesting this special, late enrollment)
2. Name of Health Insurer
3. Subscriber number (and name)
4. Date coverage was terminated
5. Reason for the cancellation (that is voluntary such as due to non-payment of premium vs. involuntary such as due to job loss)

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech or hearing impaired and need assistance, call the Wisconsin Relay Service toll free at 7-1-1 or 1-800-947-3529 (English) 1-800-833-7813 (Español). If you are visually or cognitively impaired, call 1-877-533-5020 toll-free or 608-266-3285 locally. We will try to find another way to get the information to you in a usable form.

This *Employer Bulletin* is published by the Wisconsin Department of Employee Trust Funds. If you have any questions, please contact the Employer Communications Center toll free at 1-877-533-5020 or locally at 608 266-3285. Employer agents may copy this *Bulletin* for further distribution to other payroll offices, subunits or individuals who may need the information. Copies of the most recent *Employer Bulletins* are available on our Internet site at etf.wi.gov/employers.htm.

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