

What You Need To Know About the Individual Mandate for Tax Year 2008

The individual mandate became a law in 2006. It says that most Massachusetts residents age 18 and older must have health insurance. **On January 1, 2009, the standards change and the health insurance must have certain basic benefits.** Any health insurance plan that can be legally offered in Massachusetts meets the individual mandate for 2007 and 2008.

NOTE: If you have Medicare Part A, MassHealth (Medicaid), TRICARE or are registered for the health services of the U.S. Veterans Administration, you meet the mandate.

To meet the rules for 2009, you will need a plan that covers a broad range of medical benefits. These include preventative and primary care, emergency services, hospital stays, outpatient services, prescription drugs, and mental health services. Specifically, your health insurance plan must:

1. Cover prescription drugs (Rx);
2. Cover 3 regular doctor visits and check-ups for an individual or 6 for a family before any [deductible](#);
3. Cap the deductible at \$2,000 for an individual or \$4,000 for a family each year;
4. Cap out-of-pocket spending for non-Rx health services at \$5,000 for an individual or \$10,000 for a family each year if you have a deductible or [co-insurance](#);
5. Not cap total benefits for a sickness or for each year; and more. (See our regulations on "**Minimum Creditable Coverage**" for more information.)

Health insurance companies licensed in Massachusetts must notify consumers that their plans meet the minimum standards. They must put a visible notice of on the front of their plan documents.

Health Connector **Young Adult Plans** for 18-26 year-olds and federal Health Savings Account plans are exempt from these specific rules, but they still need to provide reasonable benefits.

How will I prove to the state that I'm insured?

Most people who are insured through an employer or with a major Massachusetts health plan will receive a "1099-HC" form in the mail. Use this form when completing your state taxes for 2007.

You will not receive a 1099-HC if you are enrolled in a government-subsidized health plan such as MassHealth or Commonwealth Care. There is a place on the state tax form where you can check that you are enrolled in a government-subsidized program. The state agencies that provide subsidized insurance will confirm that you are insured. For more information, contact the Department of Revenue at 1-800-392-6089.

Penalties will be collected through the tax process by the Massachusetts Department of Revenue.

Am I a resident of Massachusetts under the mandate?

You are considered a resident if you "obtained any benefit, deduction, exemption, entitlement, license, permit or privilege by claiming that you are a resident of Massachusetts." If you do not believe that you can afford health insurance, waivers or exemptions from the penalties are available.



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