



CareFirst Sales Flash

*For Distribution to Brokers/General Producers/Full-Service Producers Only
(Not intended for distribution to Groups and Members)*

Date: March 22, 2017
Market: All

Clarification on the Recent TIN Solicitation Mailing

Background

The Affordable Care Act (ACA) requires CareFirst to file the annual form 1095B with the Internal Revenue Service (IRS), including a statement that ensures minimum essential coverage was provided for groups and certain individuals.

Insurance carriers are also required to provide the IRS with coverage information on all their fully-insured members: name, address, Tax Identification Number (TIN)—which is normally a Social Security Number—or date of birth for the policyholder and their dependents as well as to include the months that they were each covered.

If the IRS does not receive this information, members may get an inquiry from the IRS. Members may also receive a notice from the IRS indicating that they owe an additional tax because they failed to provide correct or complete TIN information.

Clarification

Recently, members and groups have contacted CareFirst inquiring about the validity of the 2017 TIN solicitation mailing. The letter and form were generated and mailed by an outside vendor and due to unforeseen system changes; they were unable to send them as originally formatted by CareFirst.

The attached letter shows the TIN solicitation letter and form mailed by the outside vendor. **Please be assured that while the mailing may not look like a typical CareFirst mailing, the TIN solicitation letter and form are indeed legitimate.**

Members and groups must provide us with their TIN information, if they have not already done so or if their information has changed since last year. Members are encouraged to speak to their group administrators or HR departments to update this information or they can return the updated information using the enclosed envelope.

FAQs about TIN Solicitation

1. Why is CareFirst asking for members' Tax Identification Numbers (TIN)?

The Affordable Care Act (ACA) requires health insurance companies, such as CareFirst, to file an annual report with the Internal Revenue Service (IRS) with the Tax Identification Number (TIN) for every individual covered under our insurance plans. TINs are typically Social Security Numbers. CareFirst must also send an IRS Form 1095-B to each policyholder, an important tax document that can be used as proof of coverage when members file their federal income tax returns. CareFirst is asking for members' TINs and the TINs of those individuals covered under their health insurance policy if we do not currently have this information to report to the IRS and to include on Form 1095-B.

(continued)

2. Why is the IRS collecting this information?

The information that CareFirst reports to the IRS will be used to verify that policyholders and their dependents have been covered by health insurance meeting certain minimum benefit requirements, known as Minimum Essential Coverage, for the prior calendar year. Generally, Minimum Essential Coverage includes all Government and job-based insurance and most private insurance, including CareFirst. Individuals who do not have a health insurance policy meeting Minimum Essential Coverage requirements in any given calendar year may incur tax penalties when they file their tax return for that year.

3. What will happen if members don't provide TIN information to CareFirst?

If members do not provide their TIN, CareFirst is permitted to report the coverage with a date of birth in lieu of a TIN. The information received by the IRS will be used to verify information on individual tax returns. If the information members provide on their tax returns cannot be verified, they may receive an inquiry from the IRS and could be charged a penalty by the IRS. For additional information, members can contact a tax professional or the IRS at <http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Your-Health-Insurance-Company-May-Ask-for-Your-Social-Security-Number>.

4. Does CareFirst only need the policyholder's TIN or do you need TIN for everyone covered under their plan?

Please provide the TIN for all individuals covered under the health insurance plan.

5. How can members securely update their TIN number?

If members receive a notice from CareFirst, they must complete the enclosed form and mail it in the return envelope provided. Members can also contact their benefits representative in HR or their group administrator to verify or provide TIN information. In this case, their employers will provide CareFirst with their updated information.

6. May members call CareFirst and update TIN information over the phone?

No. Due to privacy concerns, CareFirst cannot accept updated TIN information over the phone.

7. What if members have questions or are suspicious about a request for personal information received from CareFirst? Members can give CareFirst a call at the number listed on the back of their ID card.

Should you have any questions, please contact your broker sales representative.

Sincerely,



Shekar Subramaniam
Vice President, Sales
Small Medium SBU

CareFirst BlueCross BlueShield
10455 Mill Run Circle
Owings Mills, MD 21117-5559



REQUEST FOR TAX IDENTIFICATION NUMBERS

Subscriber/Member Number:
Name of Responsible Individual:

Beginning in 2015, the Affordable Care Act requires us to provide information about your health insurance coverage to the Internal Revenue Service (IRS) using your Tax Identification Number (TIN) and the TINs of those individuals covered by your policy. An individual's TIN is his or her social security number (SSN) or in some cases it is an Individual Taxpayer Identification Number (ITIN). This information will be reported on Form 1095. Our records indicate that we do not have TINs for one or more of the individuals covered under your policy. Those individuals are listed on the enclosed form.

Providing accurate information will help you get credit for the insurance you have and help you avoid the penalty for not having coverage. You may be subject to a \$50 penalty imposed by the Internal Revenue Service if you fail to furnish the TINs.

Please complete the enclosed forms and return in the envelope provided to the address listed by 03/12/2017.

If you have any questions, please call the number listed on your member ID card. For your privacy and protection, customer service representatives will not be able to collect your TINs over the phone.

AFFORDABLE CARE ACT (ACA) REQUEST FOR SOCIAL SECURITY NUMBERS (SSN) AND INDIVIDUAL TAXPAYER IDENTIFICATION NUMBERS (ITIN)

Member ID

Name

Date of Birth SSN (Enter 1 digit per box. Member's SSN is already on file if pre-printed with Xs)

By signing the form you agree that the information provided is correct to the best of your knowledge, that you are authorized to fill out this form.

Name of person completing this form

Please return this form in the enclosed envelope to:
CareFirst BlueCross BlueShield
Attn: Thomson Reuters Project
P.O. Box 29176
Hot Springs, AR 71903

Signature

Date