June 10, 2024, HBR Alert

HBR Alert

An important update for all State Health Plan HBRs!

North Carolina **State Health Plan** FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer
Treasurer Dale R. Folwell, CPA

2024 State Health Plan 1094/1095 Reporting Solutions Reminder: Signup deadline is June 30, 2024. No extensions will be granted.

Please note that this message is for non-FIORI (formerly BEACON) groups who are part of the State Health Plan. Best Shared Services handles this reporting requirement for all FIORI agencies.

All other groups, please read this entire message as there have been changes to the 2024 Affordable Care Act Reporting Program offerings and signup requirements.

Signup deadline for 2024 offerings is June 30, 2024. There will be no extensions this year.

The Affordable Care Act (ACA) Reporting solution options below have been identified by the State Health Plan (Plan) to assist with your obligation to the Internal Revenue Service (IRS). Yearly ACA reporting is required by the IRS for all groups, but it is not required that a group utilizes one of the paid options below to satisfy their reporting obligation.

Signup for COBRA Data Only

For those groups who do not utilize one of the paid options below, we do ask that they submit a form signup for the "Data Download Only"

option so that the Plan has an ACA contact who can receive COBRA data.

COBRA data is sent in late December to all groups who have data to report for previous employees and dependents who elected coverage after employment termination.

IRS ACA Reporting Requirements

The ACA created the requirements for yearly 1094 and 1095 reporting to the IRS. As a self-insured employer, your group is required to file either forms 1094-B and 1095-B or 1094-C and 1095-C with the IRS each year. The forms must be delivered to the IRS and to your employees as evidence of compliance with the ACA. **Starting in 2024, electronic filing is required for employers with 10 or more forms.**

<u>All employers utilizing the State Health Plan are self-insured employers and therefore are required to comply with these requirements.</u>

The filing of 1094-B and 1095-B forms is required by the IRS for self-insured employers with less than 50 Full-Time Equivalents (FTEs) on average during the prior year (2023). These employers submit information about the group on 1094-B and must report all coverage provided for employees and their dependents on 1095-B.

The filing of 1094-C and 1095-C forms is required for employers with 50 or more FTEs on average during the prior year (2023). The employers submit summary information about the group on the 1094-C form and a 1095-C form is filed for each full-time employee who worked for the employer during the year, indicating all offers of coverage in Part II of the form. These employers must also report all coverage provided for employees and their dependents in Part III of the form.

State Health Plan ACA Reporting Program Changes

The Plan has partnered with our vendors to offer multiple ACA reporting offerings for groups who do not have their own tools to meet the IRS requirements. We also have an option for those groups who

already have the necessary tools to complete reporting and just need a download of data from our Eligibility and Enrollment vendor (Benefitfocus) system.

After many years of keeping things the same, the Plan has made important changes to the ACA Reporting Program this year that groups should note. We feel these changes will ensure the success of each group in a more simplified manner.

Summary of Changes:

- **All groups must submit an online signup form at the link provided below regardless of using paid or free offerings. Failure to submit a signup form will jeopardize your group's delivery of COBRA data later this year.**
- **The signup deadline for 2024 offerings is June 30, 2024. No extensions past this deadline will be granted this year. Groups will be responsible for finding other ACA reporting solutions on their own after this time.**
- **Offering names and descriptions have been updated to better reflect that actual service level provided and to set the expectation of who is responsible for activities.**
- All groups participating in 2024 paid offerings will be defaulted to the Fully Managed (defined below) option **unless** they opt to select a lower tier.
- For 1095-C groups the charge per form will increase from $6.50 to $7.50 to ensure the Plan's program costs are covered.
- After completing the online signup form the group will receive further communications from the Plan that includes acknowledgement of deadlines, expectations, participation costs, and require electronic signoff by the ACA and financial contacts.
- Groups will be held more accountable for meeting critical program deadlines. Failure to meet participation standards could result in being dropped from the program.
- The Plan is coordinating with vendor partners to revamp documentation and training to focus on specific task execution with hands-on learning workshops.

- Plan communication and status reporting will be simplified and tailored to each group's progress.

State Health Plan ACA Program Offerings for 2024

To view a comparison of these offerings click the link below:

https://shpapplicationportal.shpnc.org/shp-ACA-Matrix/

<u>Fully Managed Offering - for Employers with Less than 50 FTE on average in 2023</u>

(formerly named: 1095-B Full-Service Solution)

- **Minimal Responsibility Level for the Group**
- Cost is $625
- Only available for those groups with Less than 50 FTE on average in 2023
- A fully comprehensive solution will be provided on behalf of the group by the Plan and its 1094/1095-B reporting vendor

The group will be responsible for the following:

- Project contacts
- Provide 1094-B information
- Work to make corrections to members who are returned on IRS Error Reports after electronic filing

<u>Fully Managed Offering - for Employers with 50 or More FTE on average in 2023</u>

(formerly named: 1095-C Full-Service with Data Support Solution)

- **Minimal Responsibility Level for the Group**
- Cost is $7.50 per form plus postage **and a flat fee of**

- $4,500 for less than 1,000 forms
- $7,500 for 1,000 or more forms

- Only available for those groups with 50 or More FTE on average in 2023

- A fully comprehensive solution will be provided on behalf of the group by the Plan and its 1094/1095-C reporting vendor.

The group will be responsible for the following:

- Project contacts
- 1094-B data entry into required platform
- Work to make corrections to members who are returned on IRS Error Reports after electronic filing

<u>Group Managed Offering - for Employers with 50 or More FTE on average in 2023</u>

(formerly named: Full-Service Solution)

- **High Level of Responsibility for the Group**
- Cost is $7.50 per form plus postage
- Only available for those groups with 50 or More FTE on average in 2023

The group is required to be fully engaged to meet deadlines and is responsible for the following:

- Provide project contacts
- Complete all sections of the 1094-C form on the Benefitfocus platform
- Download 1095-C base ACA data from the Benefitfocus platform
- Update the downloaded 1095-C data based upon documented guidelines
- Incorporate 1095-C Carry Over Data from Benefitfocus platform
- Incorporate 1095-C COBRA data provided by the State Health Plan
- Upload the 1095-C data back to the Benefitfocus platform
- Make quality check corrections to data
- Work to make corrections to members who are returned on IRS Error Reports after electronic filing

The Plan and its 1094/1095-C ACA vendor, Benefitfocus, will provide the following:

- Program Management and Status Reporting
- Documentation and Training
- Subject matter expertise to answer questions
- 1095-C Data in Benefitfocus format for any previous employees and/or dependents that have elected COBRA coverage after termination of employment from the group
- Data quality check(s) and feedback of submitted 1095-C ACA data
- Form Print and Mailing service
- Electronic IRS filing
- IRS error reports back to the Group for corrections
- Electronic IRS filing resubmissions after corrections

Data Download Only

(formerly named: Data Only Solution)

- **This is the Highest Level of Responsibility for the Group**
- **The group must find their own ACA reporting vendor and/or have their own software that meets current year IRS requirements**
- **No cost**

The group is required to do the following:

- Complete signup online form submission
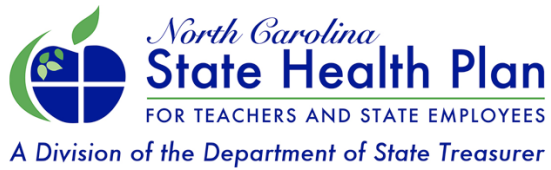- Provide ACA Contacts to ensure COBRA data delivery

The Plan and its Eligibility and Enrollment vendor, Benefitfocus, will provide the following:

- Provide access to download ACA Data from the Benefitfocus platform
- Provide data in Benefitfocus format for any previous employees and/or dependents that have elected COBRA coverage after termination of employment from the group

The program signup form is located at the following link and must be submitted by the signup deadline of June 30, 2024:

https://shpapplicationportal.shpnc.org/SHP-ACASignup

If you have questions, please email ACA@nctreasurer.com