

*United States  
Office of  
Personnel Management  
The Federal Government's Human Resources Agency*



*Benefits Administration Letter*

Number: 08-201

Date: January 14, 2008

**Subject:** The Massachusetts Health Care Reform Act

Effective July 1, 2007, the Massachusetts Health Care Reform Act required residents of Massachusetts to have health insurance coverage which meets certain minimum standards. Massachusetts residents who do not have qualifying coverage will lose their state individual income tax exemption and be subject to other financial penalties. Under the state law, a health plan offered under the Federal Employees Health Benefits (FEHB) Program is deemed to provide "Creditable coverage" which satisfies the Massachusetts statute.

Massachusetts residents age 18 and over will be required to demonstrate appropriate health insurance coverage to the Massachusetts Department of Revenue (DOR). Massachusetts residents who are FEHB enrollees may demonstrate appropriate health insurance coverage to the DOR using Massachusetts Schedule HC and a Form MA1099-HC which is required to be issued by their insurance carrier. FEHB plans operating within the state of Massachusetts should work with the DOR to issue Form MA 1099-HC to enrollees. These health plans include:

- Aetna HealthFund
- Blue CHIP Coordinated health Plan
- ConnectiCare
- Fallon Community Health Plan

FEHB national fee-for-service plans which operate outside of Massachusetts may not have the opportunity to issue Form 1099-HC. Massachusetts residents enrolled in such a national plan should obtain a copy of Massachusetts Schedule HC and indicate that they have private health insurance but have not been provided a Form MA 1099-HC by their insurance company. Section 2, Part 1 of the Schedule HC, has an oval for individuals to fill out if they have insurance but do not have a Form MA 1099-HC. If they fill out that oval and (following the instructions) include the name of the insurer and their subscriber number, they will demonstrate that they have insurance and will not be penalized for lack of insurance. Enrollees will find detailed instructions accompanying the Schedule HC.

Attached for your reference are copies of the Massachusetts Schedule HC and Instructions. If you have any questions please contact Maggie Martel at 202-606-1772 or [Marguerite.Martel@opm.gov](mailto:Marguerite.Martel@opm.gov).

Sincerely,

Kay T. Ely  
Associate Director  
Human Resources Products and Services

Attachments