



Massachusetts Health Connector and
Department of Revenue

Data on the Individual Mandate

Tax Year 2010

June 2012

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Key Findings

This report provides analysis of tax year 2010 data on the health insurance status of adult tax filers in Massachusetts, and is a follow-up to the analyses of tax years 2008 and 2009 data published by the Massachusetts Health Connector (Health Connector) and the Department of Revenue (DOR).^{1,2}

This analysis demonstrates that there was near universal compliance with the requirement to report health insurance information on tax filings, and a continued high rate of insurance coverage in the state. Over 96% of tax filers who filed a Schedule HC were insured at some point during 2010, which was unchanged from the previous year. The results from 2010 are consistent with other state and federal surveys that suggest a continued high rate of insurance coverage in the state.

Changes from 2009: There were no significant changes in the majority of findings in this analysis when compared to those of the previous year. Similar to the report for tax year 2009 data, in this report, when a filer is described as being “uninsured,” it indicates that the filer either had no insurance, or had insurance that did not meet Minimum Creditable Coverage (MCC) standards.

Compliance with filing a Schedule HC:

- Ninety-nine percent of tax filers required to file a Schedule HC for tax year 2010 complied with the filing requirement to report health insurance information.

Full-year insured filers:

- Of those adult tax filers who complied with the Schedule HC filing requirement, 92% (3,800,000) reported being insured for all of tax year 2010.

Full-year uninsured filers:

- Approximately 4% of filers (170,000) reported being uninsured for all of tax year 2010.
- Of the adults who were uninsured for all of tax year 2010, 63% (110,000) reported that their income was at or below 150% Federal Poverty Level (FPL) and were therefore exempt from the individual mandate penalty. Sixteen percent (27,000) reported that health insurance was not affordable for them, based on their application of the affordability schedule. Fourteen percent (24,000) were assessed a penalty because affordable insurance was available to them but not obtained. Three percent (4,400) sought to file an appeal of the penalty³. Four percent (6,500) claimed a religious exemption and less than 1% (190) reported having a Certificate of Exemption.

Part-year insured filers:

- Approximately 4% of filers (150,000) reported being uninsured for part of tax year 2010.
- Of filers with part-year insurance, 33% (49,000) had income at or below 150% FPL and thus were not subject to a penalty. Eleven percent (17,000) reported that insurance was not

¹ Massachusetts Health Connector and Department of Revenue, Data on the Individual Mandate: Tax Year 2008, December 2010. Available on-line at: <http://tinyurl.com/report-TaxYear2008>

² Massachusetts Health Connector and Department of Revenue, Data on the Individual Mandate. Tax Year 2009, November 2011. Available on-line at: <http://tinyurl.com/report-TaxYear2009>

³ Throughout this report the numbers of people who file an appeal describes only those who file an appeal, and does not capture the outcomes of the appeal process.

affordable, based on their application of the affordability schedule. Thirty-nine percent (57,000) had a permissible gap in coverage which lasted three or fewer consecutive months.⁴ Fourteen percent (20,000) were subject to a penalty since insurance was affordable, and two percent (3,100) were subject to a penalty since insurance was affordable but submitted an appeal. The remaining filers with part-year insurance (1%) included filers who had a Certificate of Exemption (80) or a religious exemption (810).

Filers who were assessed a penalty:

- One percent of filers who complied with the Schedule HC filing requirement (24,000 who were uninsured for the full year and 20,000 with part-year insurance, for a combined total of 44,000 filers) were assessed a penalty in 2010. This was a small decrease from the 48,000 filers who were assessed a penalty in the prior year.

⁴ The Health Connector's Administrative Bulletin 03-10 (which is available on-line at: <http://tinyurl.com/bulletin-03-10>) clarifies that for purposes of penalty calculation, taxpayers will not be subject to the penalty if they had lapses in coverage consisting of three or fewer consecutive calendar months.

Introduction and Background

In 2006, Massachusetts passed its landmark health reform law. The cornerstone of this law is the concept of shared responsibility whereby government, individuals and employers all assumed new responsibilities in order to expand access to health insurance in the state. A key feature of the Massachusetts reform is the requirement that most adult residents who can afford health insurance maintain coverage or pay a penalty. This requirement, which is also referred to as the individual mandate, is enforced by DOR through the income tax filing process where Massachusetts residents are required to report information about their health insurance coverage on the Schedule HC.

For tax year 2007, which was the first year of the mandate, tax filers were required to indicate if they had insurance as of December 31, 2007. The penalty for noncompliance with the mandate in 2007 was loss of the personal income tax exemption, which was \$219.

For tax year 2008, tax filers were required to indicate whether they had coverage in each month of the year. If affordable coverage was available to the individual, as defined by the state's affordability schedule, but the individual did not have health insurance coverage, then the individual was assessed a penalty.⁵

Individuals with income below 150% FPL were exempt from the penalty. A religious exemption was available for individuals who had a sincerely held religious belief as the basis of their refusal to obtain and maintain health insurance coverage. An individual could also obtain a Certificate of Exemption prior to filing their taxes if they suffered a hardship which prevented them from being able to afford the lowest-cost available plan.

The penalty for noncompliance with the mandate in 2008 was up to 50% of the lowest-cost health insurance premium available through the Health Connector for every month the individual failed to comply with the mandate (i.e., \$76 per month or \$912 for the entire year).

For tax year 2009, there were several updates made to the Schedule HC, which included the following: (1) a change in how "couples" and "families" were defined for purposes of the affordability schedule; (2) an increase in efforts made by DOR to communicate with individuals who did not complete a Schedule HC; and (3) improvements to the 2009 Schedule HC to make the form easier to complete.⁶ In addition, the most significant of the updates in 2009 was the requirement that tax filers report if they had health insurance that met MCC standards.⁷ Prior to 2009 residents were only required to report if they had any health insurance for each month. Throughout the report for 2009 and throughout this report for 2010, when a filer is described as being "uninsured" this indicates that the filer either had no insurance, or had insurance that did not meet MCC standards.

For tax year 2010, just as in 2008 and 2009, tax filers continued to be required to indicate whether they had coverage in each month, and the penalty for not complying with the mandate continued to be up to 50% of the lowest-cost health insurance premium available through the Health Connector.

⁵ For more information about the state's affordability schedule, see the Health Connector's website at: <http://tinyurl.com/key-decisions>

⁶ For more information about these changes, see page 5 and 6 of the 2009 Report: Massachusetts Health Connector and Department of Revenue, Data on the Individual Mandate. Tax Year 2009, December 2010. Available on-line at: <http://tinyurl.com/report-TaxYear2009>

⁷ For more information about MCC, see the Health Connector's website at: <http://tinyurl.com/mcc-background>

Table 1 shows the penalties for 2007 through 2010. The same exemptions were in place for individuals with income below 150% FPL, religious exemptions and Certificate of Exemptions.

Table 1. Penalty Schedule for Failure to Comply with the Individual Mandate. 2007 - 2010				
	2007	2008	2009	2010
	per year*	per month	per month	per month
150.1 - 200% FPL	\$219	\$17.50	\$17	\$19
200.1 - 250% FPL	\$219	\$35.00	\$35	\$38
250.1 - 300% FPL	\$219	\$52.50	\$52	\$58
Above 300% FPL, Age 18-26	\$219	\$56.00	\$52	\$66
Above 300% FPL, Age 27+	\$219	\$76.00	\$89	\$93

** For tax year 2007, the penalty for not having insurance as of December 31, 2007 was \$219.*

For tax year 2010, there were no significant changes made to the Schedule HC, nor any significant changes pertaining to individual mandate requirements in 2010. The FPL guidelines did not change between 2009 and 2010, and there were minor adjustments made in 2010 to the state’s affordability schedule.⁸

Previous reports have analyzed tax data for 2007, 2008 and 2009.^{9,10,11} This report analyzes the data on the individual mandate for tax year 2010.

⁸ For calendar year 2010, the state’s affordability schedule had minor adjustments which included increases between 0% and 3.5% for different income brackets. More details about the affordability schedule are available on-line at: <http://tinyurl.com/affordability-schedule>

⁹ Massachusetts Department of Revenue, Data on the Individual Mandate and Uninsured Tax Filers: Tax Year 2007, October 2008. Available on-line at: <http://www.mass.gov/dor/docs/dor/news/pressreleases/2008/2007-demographic-data-report-final-2.pdf>

¹⁰ Massachusetts Health Connector and Department of Revenue, Data on the Individual Mandate. Tax Year 2008, December 2010. Available on-line at: <http://tinyurl.com/report-TaxYear2008>

¹¹ Massachusetts Health Connector and Department of Revenue, Data on the Individual Mandate. Tax Year 2009, December 2010. Available on-line at: <http://tinyurl.com/report-TaxYear2009>

Methodology

This analysis was compiled by the Health Connector using data provided by DOR, under a Memorandum of Understanding between the agencies. All individual-level identifiers were removed prior to sharing data with the Health Connector and conducting this data analysis. The methodology used in this analysis was similar to the methodology used for the preceding year.

This report presents analyses of returns filed and processed by DOR as of December 2011. As of this date, there were approximately 3.6 million returns, representing 4.7 million tax filers.¹² Based on tax year 2009 filings, the returns processed as of December 2011 represented approximately 98% of all expected tax year 2010 returns.

Similar to previous years, this analysis relies primarily on information as self-reported by tax filers. This information is subject to tax filer reporting errors and inconsistencies, as well as post-filing verification, enforcement and audit efforts by DOR. The analysis presented focuses on adult tax filers aged 19 and over, and thus does not reflect the health insurance status of children, individuals who are not required to file a tax return, or individuals who did not file a return despite being required to do so.¹³ While the mandate applies to adult tax filers (age 18 and over), for purposes of simplicity this report excludes individuals who turned 18 during the tax year.¹⁴

Numbers in this report are rounded. Percentages, where provided, may not add to 100% due to rounding.

¹² There may be one or two tax filers per tax return.

¹³ A Massachusetts full-year and/or part-year resident is generally required to file a tax return with the state of Massachusetts if his/her Massachusetts gross income is in excess of \$8,000. A Massachusetts nonresident is required to file a Massachusetts nonresident tax return if his/her Massachusetts source income exceeds the smaller of \$8,000 or the prorated personal exemption. <http://www.mass.gov/dor/individuals/filing-and-payment-information/personal-income-tax-faqs/personal-income-tax-faqs.html#1>

¹⁴ Individuals who turned 18 during the tax year became subject to the mandate on the first day of the month following their birthday.

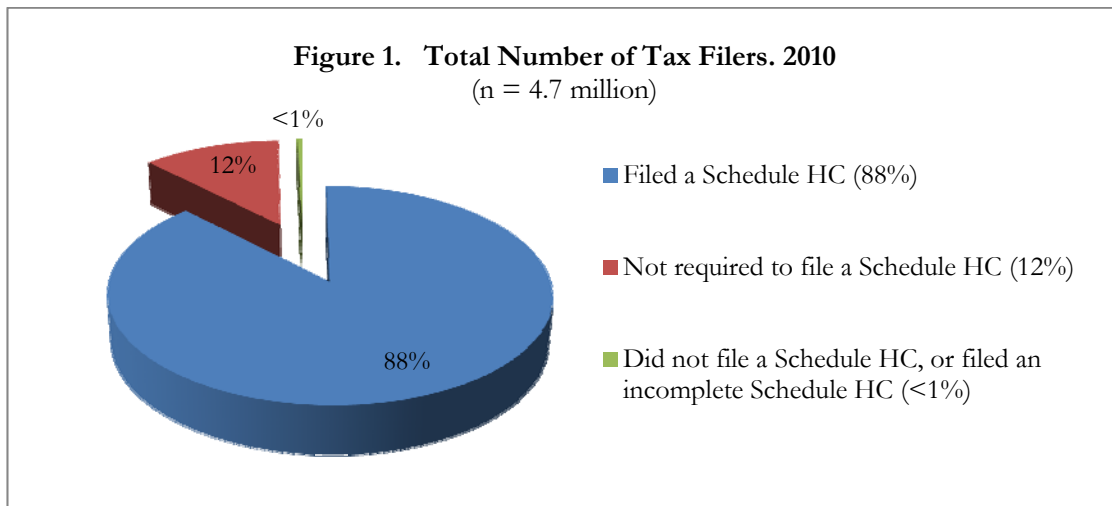
Results

Overview of All Filers

Figure 1 shows the total number of tax filers for tax year 2010 (4.7 million), and the percent that filed a Schedule HC. Tax filers subject to the individual mandate are required to file a Schedule HC with their income tax return in order to document their compliance with the individual mandate.

Of the 4.7 million filers, 88% (4.2 million) filed a Schedule HC. Approximately 12% (560,000) were not required to file, which includes non-residents, certain part-year residents, and individuals under age 18. Less than 1% (18,000) were subject to the mandate but did not file a Schedule HC or filed it with incomplete information.¹⁵

Out of the total number of filers who were required to file a Schedule HC, 99% of these filers complied with this requirement.¹⁶ These findings did not change significantly from 2009.



The subsequent analyses presented in this report include information for only those tax filers who submitted a completed Schedule HC, and who were age 19 and older.

¹⁵ DOR corresponds with tax filers who either did not file a Schedule HC or filed it with insufficient information to determine the applicability of the individual mandate.

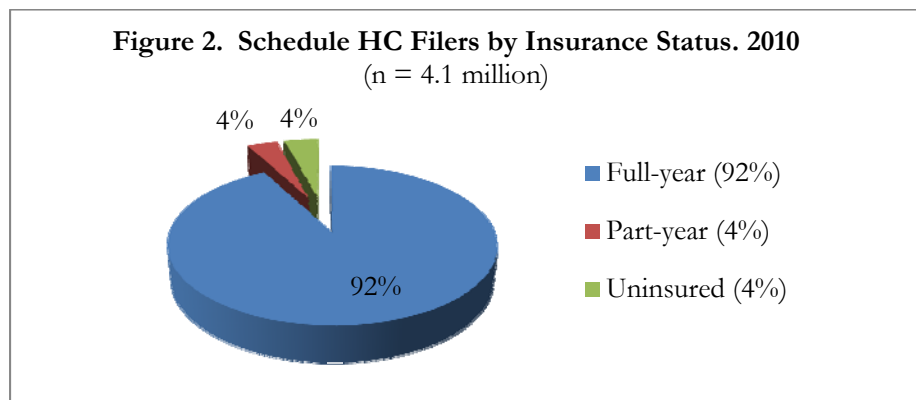
¹⁶ Among those who are not required to file a Schedule HC includes part-year residents if they were residents of Massachusetts for less than three full months.

Insurance Status of Schedule HC Filers

In filing the 2010 tax return, individuals were required to indicate on the Schedule HC whether they were enrolled in an MCC-compliant plan for all, part, or none of 2010. Individuals who reported having federal government insurance were considered to have full-year insurance.¹⁷

Ninety-two percent (3.8 million) of the 4.1 million adult filers who submitted a complete Schedule HC reported having MCC-compliant health insurance for the full tax year (Figure 2).¹⁸

Four percent (150,000) of these filers reported being insured for part of the year, and 4% (170,000) reported being uninsured for the full year.¹⁹ These findings corroborate state and federal survey data, which have found that insurance rates in Massachusetts have remained high in 2009 and 2010.²⁰



¹⁷ Federal government insurance includes Medicare, the Veterans Administration Program, Tricare or “Other” government health coverage, as indicated in Question 4 on the 2010 Schedule HC. MassHealth and Commonwealth Care were not considered to be federal government insurance.

¹⁸ The full-year insured category includes 63,000 part-year residents who met the requirements of the mandate for the entire period that the mandate applied to them.

¹⁹ The part-year insured category includes 26,000 part-year residents who indicated insurance for some but not all of the period for which the mandate applied to them.

²⁰ The Massachusetts Health Insurance Survey found that the rate of insurance coverage for adults age 19 to 64 was 96.5% in 2009, and 97.1% in 2010. For more details see the full report: www.mass.gov/eohhs/docs/dhcfp/r/pubs/10/mhis-report-12-2010.pdf

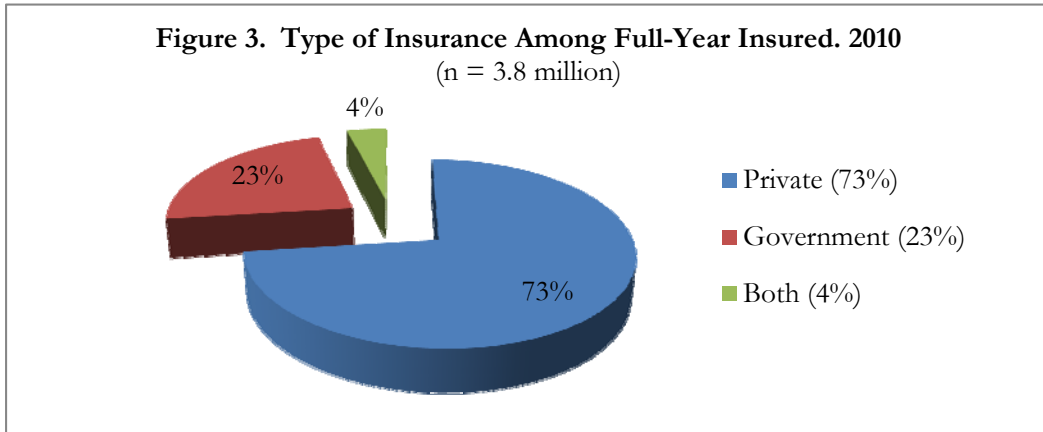
The Massachusetts Health Reform Survey found that the rate of insurance coverage for adults age 19 to 64 was 95.2% in fall 2009, and 94.2% in fall 2010. For more details see the full report: <http://bluecrossfoundation.org/~media/Files/Publications/Policy%20Publications/MHRS%20Report%20Jan2012.pdf>

The federal Current Population Survey (CPS) estimated that the insurance rate among all Massachusetts residents was 95.7% in 2009, and 94.4% in 2010. For more details, see: [Health Insurance Historical Table \(HIB -4\)](#).

For a discussion regarding why insurance rates vary among different surveys, see the 2008 report from DHCFP: *Estimates of the Uninsurance Rate in Massachusetts from Survey Data: Why Are They So Different?* Available online at: <http://www.mass.gov/eohhs/docs/dhcfp/r/pubs/08/est-of-uninsur-rate.pdf>

Full-Year Insured Filers

Among those who reported having full-year insurance coverage on their Schedule HC, private insurance was the most common source of health insurance coverage (Figure 3). Seventy-three percent (2.8 million) of adult filers with full-year coverage reported having private insurance. An additional 23% (870,000) reported having government insurance.²¹ The remaining 4% (150,000) of filers with full-year health insurance coverage reported having both private and government insurance. This could be either concurrent or consecutive coverage.



²¹ Government insurance includes federal government insurance (such as Medicare, the Veterans Administration Program, and Tricare) as well as MassHealth and Commonwealth Care.

Full-Year Uninsured Filers

Approximately 4% (170,000) of adult filers indicated on their Schedule HC that they were uninsured for all of 2010, as mentioned previously in Figure 2. Figure 4 shows details of Schedule HC filers who reported being uninsured for all of 2010. Sixty-three percent (110,000) of full-year uninsured adult filers reported that their income was at or below 150% FPL. These individuals are exempt from the individual mandate penalty. Sixteen percent (27,000) reported that health insurance was not affordable for them, based on their application of the affordability schedule. Fourteen percent (24,000) were assessed a penalty because affordable insurance was available to them. Three percent (4,400) sought to file an appeal of the penalty. Four percent (6,500) claimed a religious exemption, and less than 1% (190) reported having a Certificate of Exemption.

Although the total number of full-year uninsured (i.e., 170,000) and their reasons for lacking coverage did not change significantly between 2009 to 2010, there was a small increase (+3%) in the percent who reported that insurance was unaffordable for them based on their application of the affordability schedule, and a decrease (-4%) in the percent who were not penalized because their income was below 150% FPL.

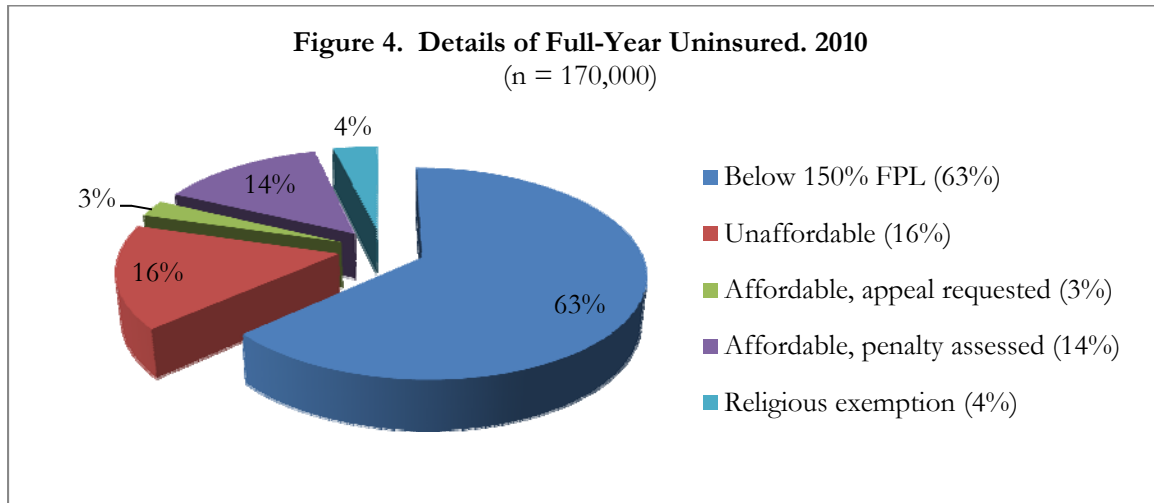
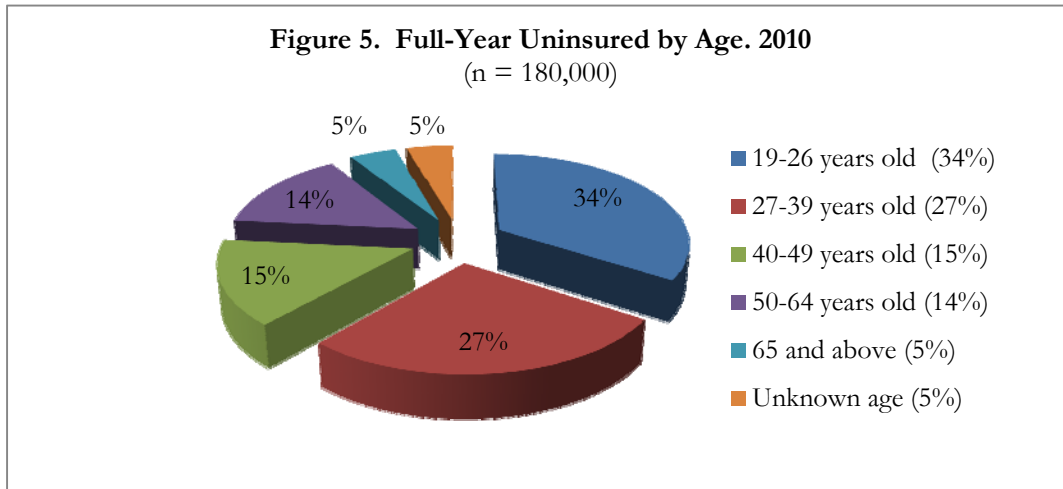


Figure 5 shows the distribution of adult Schedule HC filers who were uninsured for all of 2010 by age category. This figure also includes 5% of filers whose age could not be determined.²² Consistent with findings of other studies and from previous Schedule HC analyses, young adults are over-represented among uninsured adults in Massachusetts. Adults aged 19 to 26 represented 15% of all adult residents aged 19 or over based on 2010 population estimates from the U.S. Census Bureau. However, they comprised 34% of full-year uninsured Schedule HC filers in 2009 and in 2010.



²² These filers with “unknown” age are only included in figures which show age distribution (Figures 5, 6, 17, 18). The remaining analyses in this report are limited to filers with a known age that is greater than or equal to 19.

In Figure 5, the total number of full-year uninsured filers is 180,000. This differs from the total of 170,000 that is shown in Figure 4, 6 and 7 because these figures do not include the individuals with an unknown age.

Figure 6 shows the age distribution of Schedule HC filers who were uninsured for the full year by affordability. The “Affordable” category includes those who reported that they were able to afford insurance and were assessed a penalty, as well as those who reported that they were able to afford insurance but wished to appeal the penalty. The “Below 150% FPL” category includes filers who are exempt from penalty because their income is below 150% FPL. The “Unaffordable” category includes filers who reported being unable to afford coverage based on their application of the affordability schedule. Filers who claimed a religious exemption or a Certificate of Exemption were not included in this analysis because they were not asked to provide information about whether affordable insurance was available to them.

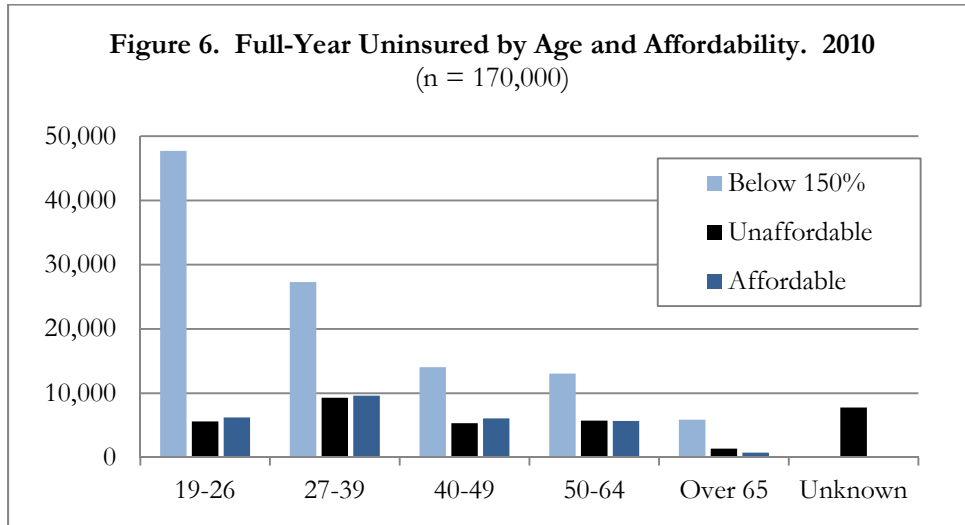


Figure 7 shows information on the gender of full-year uninsured adult Schedule HC filers. Gender information was available for 61% of filers who were full-year uninsured. Among full-year uninsured filers for whom gender information is known, 69% were male.

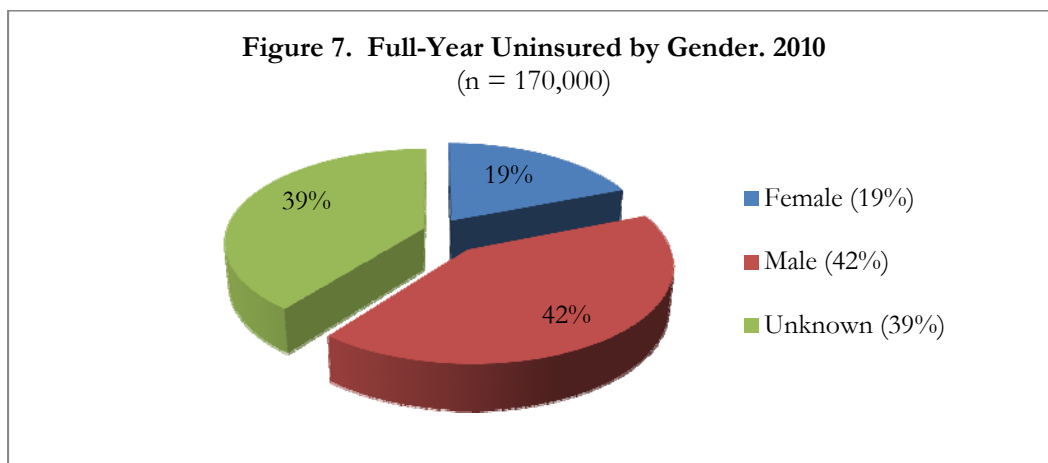


Table 2 shows the distribution of full-year uninsured filers by region. The regions are defined based on the county groupings used for the state's affordability schedule worksheet, and each region is composed of counties which have similar insurance costs. The affordability worksheet included with the Schedule HC lists the lowest monthly premiums that are available in each of three geographic regions.

The last column of Table 2 presents the number of uninsured adult Schedule HC filers in each region as a percentage of the region's total adult population. This percentage should not be interpreted as an uninsurance rate for several reasons: first, the number of uninsured filers in each region includes only those who filed a Schedule HC, and thus excludes people who are not required to file. Second, there is a slight discrepancy in the age cut-offs used (i.e., the Schedule HC data includes those ages 19 and over, whereas the Census data includes those ages 18 and over). Third, as mentioned in the methodology section of this report, filers that are described as uninsured could have had insurance that did not meet MCC standards.

Table 2. Full-Year Uninsured by Region. 2010			
	Number of Full-Year Uninsured Adult Schedule HC Filers	2010 Adult Population by Region*	Uninsured Filers as a % of the Adult Population
Region 1: Berkshire, Franklin, and Hampshire Counties	8,200	294,213	2.8%
Region 2: Bristol, Essex, Hampden, Middlesex, Norfolk, Suffolk, and Worcester Counties	130,000	4,258,984	3.1%
Region 3: Barnstable, Dukes, Nantucket, and Plymouth Counties	21,000	575,509	3.6%
Out of State ²³	12,000	N/A	N/A
<i>* The data in this column comes from the 2010 U.S. Census Bureau estimates.</i>			

²³ The Out of State category includes filers who lived in Massachusetts during the tax year and have subsequently moved out of the state, or people who are temporarily out of the state at the time of filing their taxes.

Figure 8 shows the distribution of filers who were uninsured for all of 2010, by region and affordability of insurance.

In all three regions, the majority of the uninsured (62% - 66%) reported income below 150% FPL.

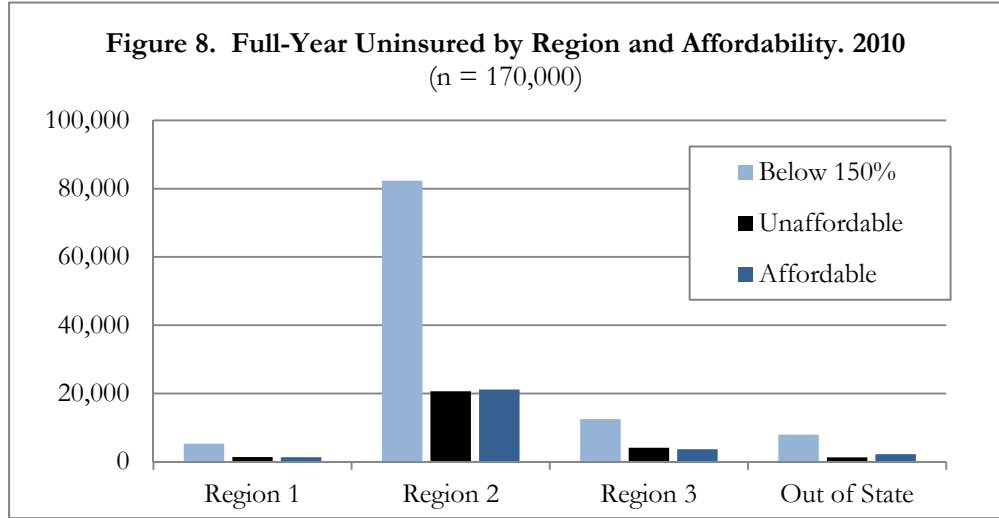
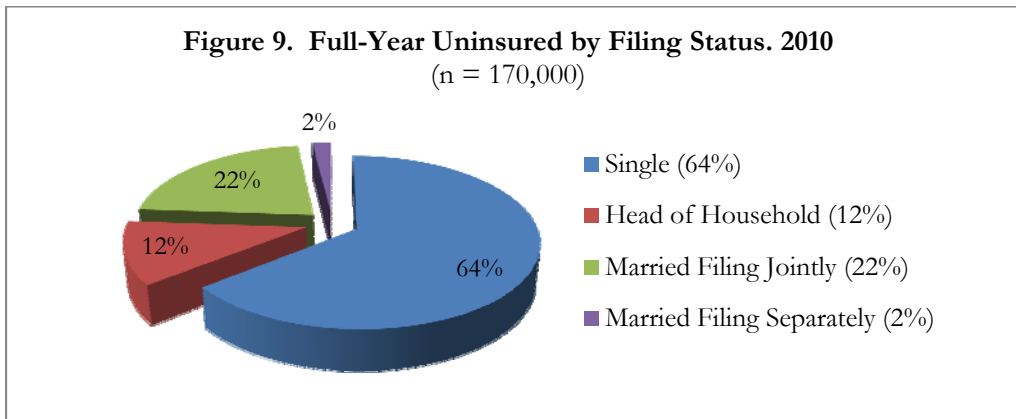
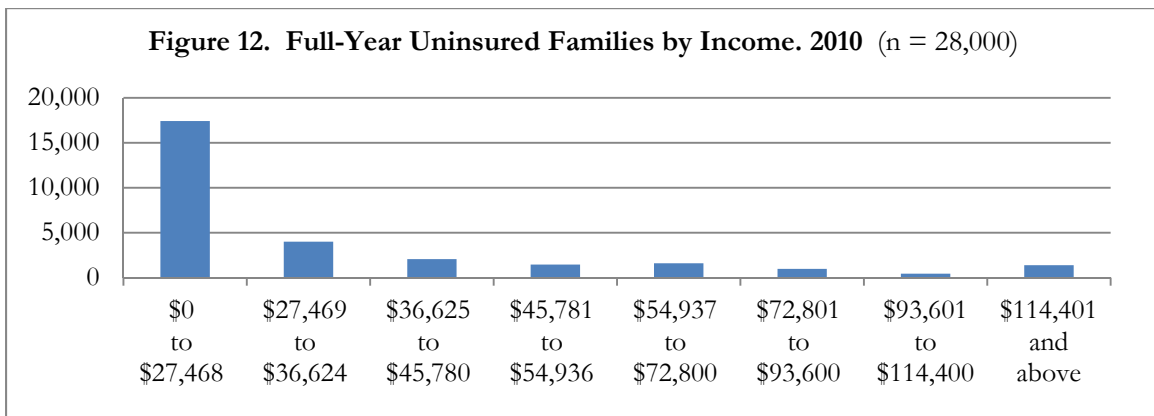
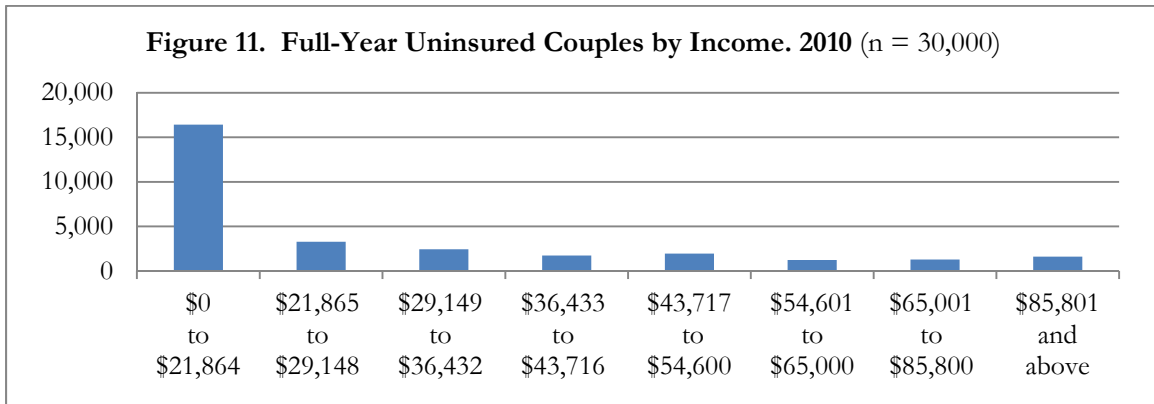
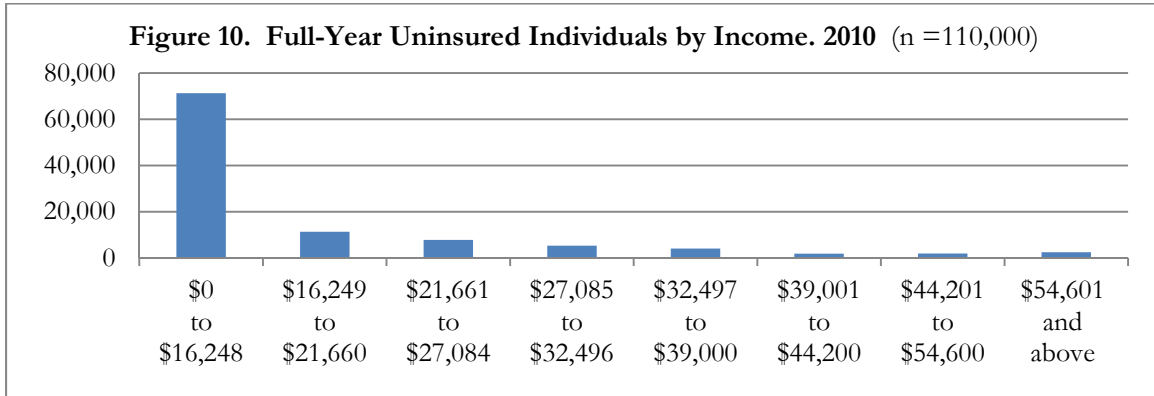


Figure 9 shows the distribution of filers who were uninsured for all of 2010 by filing status. Sixty-four percent (110,000) of full-year uninsured filers were single, 22% (37,000) were married filing a joint return, 12% (20,000) were a head of household, and 2% (3,300) were married filing separate returns.



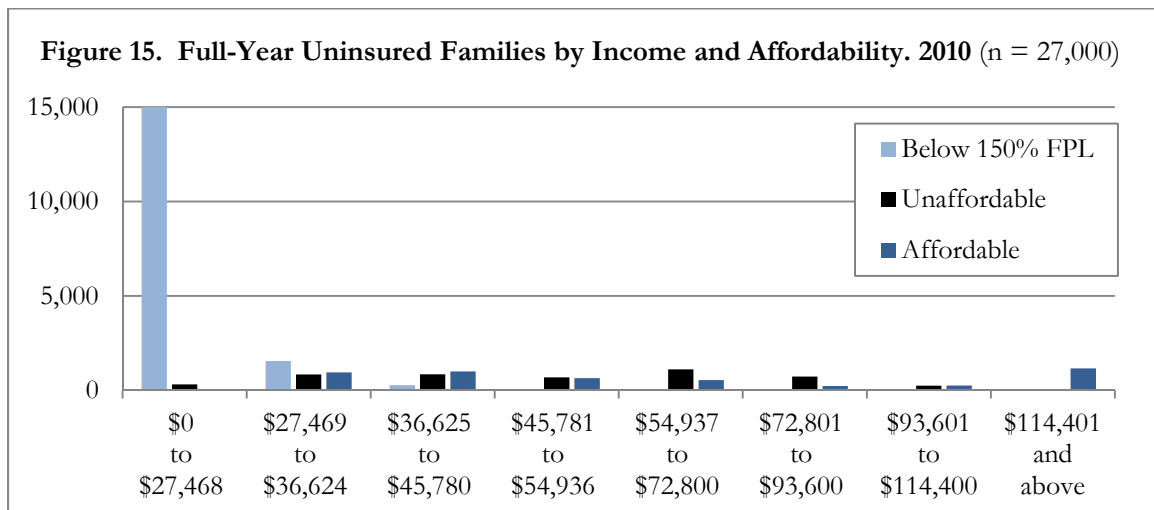
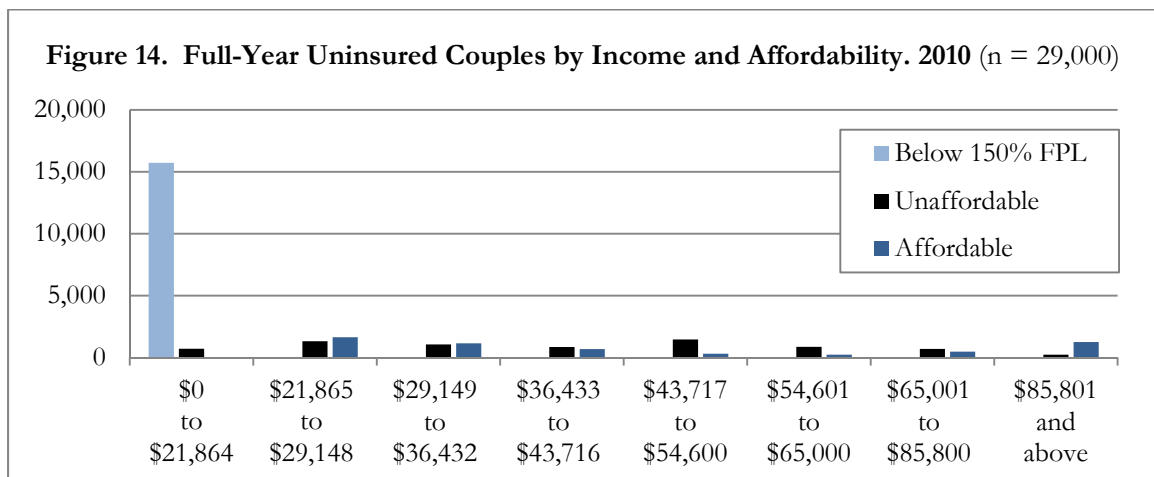
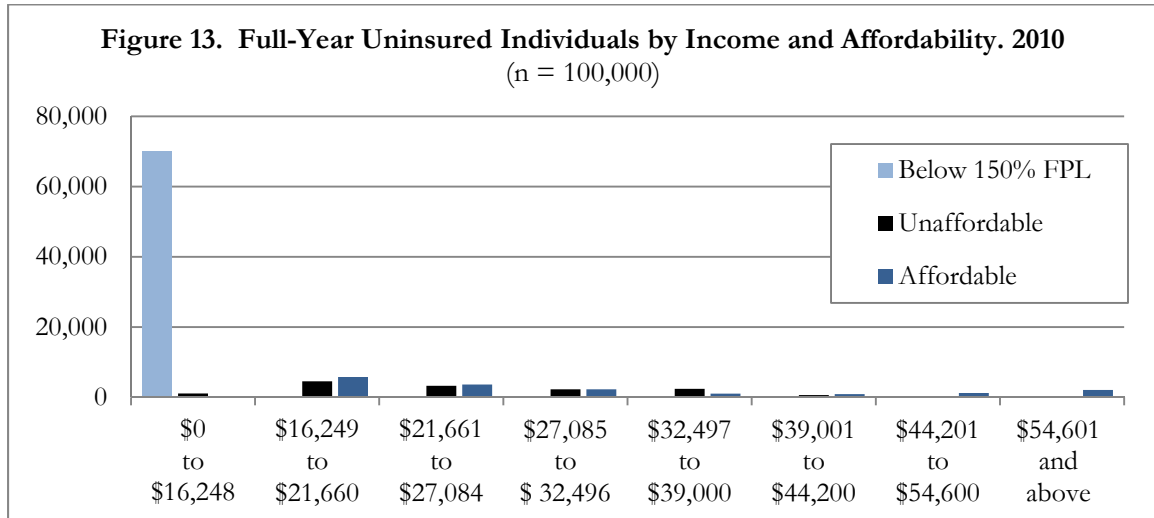
To analyze the distribution of full-year uninsured adult Schedule HC filers by income, filers were next categorized into one of three categories based on filing status and family size: individuals, couples, or families.

Figures 10, 11 and 12 show the distribution of full-year uninsured individuals, couples, and families by income. Among adult Schedule HC filers uninsured for the full year, 62% (110,000) were categorized as individuals, 17% (30,000) as couples, and 16% (28,000) as families. Across all categories, most uninsured filers were in the lowest income category. There were an additional 7,000 filers who could not be categorized as individuals, couples, or families on the basis of the information provided on the Schedule HC.²⁴



²⁴ Filers who could not be categorized as individuals, couples or families included filers who reported a family size of zero.

Figures 13 through 15 show the distribution of full-year uninsured individuals, couples, and families by income category and affordability.

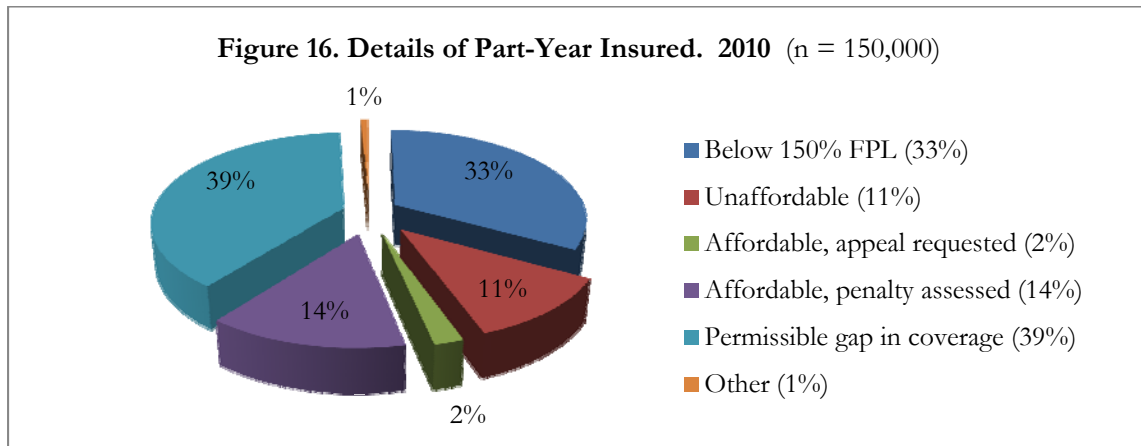


Part-Year Insured Filers

Approximately 4% of Schedule HC filers (150,000) reported having insurance for only part of tax year 2010. Figure 16 shows details of Schedule HC filers who reported having part-year insurance. Thirty-nine percent (57,000) had a permissible gap in coverage which lasted three or fewer consecutive months.²⁵ Thirty-three percent (49,000) of filers with part-year insurance reported that their income was at or below 150% FPL and thus were not subject to a penalty. Eleven percent (17,000) reported that insurance was not affordable, based on their application of the affordability schedule. Fourteen percent (20,000) were subject to a penalty since insurance was affordable, and 2% (3,100) were subject to a penalty since insurance was affordable but submitted an appeal. The remaining filers with part-year insurance (1%) included filers who had a Certificate of Exemption (80) or a religions exemption (810).

When the part-year insured filers (which are represented in Figure 16) are combined with filers with full-year insurance (which are represented in Figure 4), a total of 96% of filers reported having insurance at some point during the year. This 96% is unchanged from the 2009 analysis of Schedule HC filers.

During tax year 2010, the number of filers reporting a permissible gap in coverage for three or fewer months during increased by six percent compared to the 2009 Schedule HC analysis. Tax filers with income at or below 150% FPL who reported having part-year insurance in tax year 2010 decreased by four percent from tax year 2009.



²⁵ The Health Connector's Administrative Bulletin 03-10 (which is available on-line at: <http://tinyurl.com/bulletin-03-10>) clarifies that for purposes of penalty calculation, taxpayers will not be subject to the penalty if they had lapses in coverage consisting of three or fewer consecutive calendar months.

The age distribution of filers with insurance for part of tax year 2010 is shown in Figure 17. Filers between ages 19-26 and 27-37 were the largest categories of those with part-year insurance (33% and 36%, respectively). As with the full-year uninsured population described previously in Figure 5, young adults are also over-represented among part-year insured adults in Massachusetts.

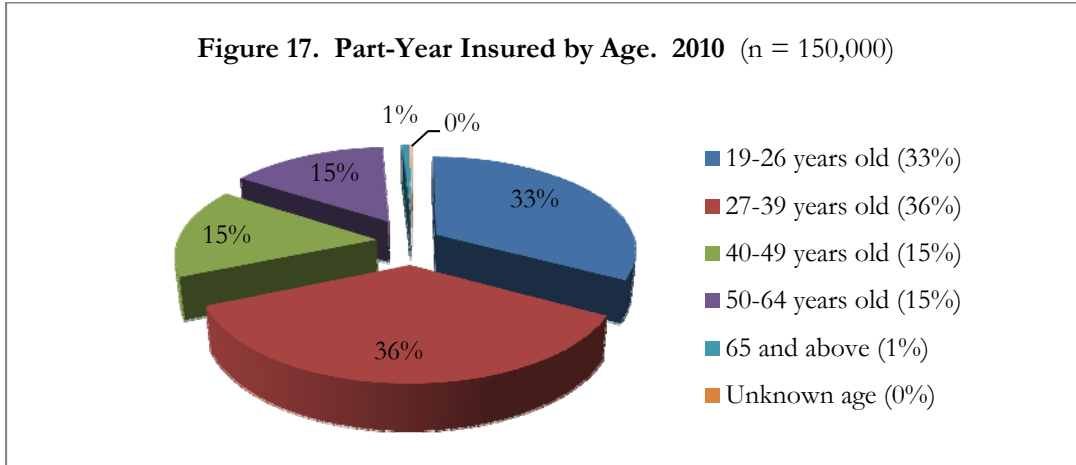


Figure 18 shows the age distribution of part-year insured tax filers by affordability.

The “affordable” category includes those who reported that they were able to afford insurance and were assessed a penalty, as well as those who reported that they were able to afford insurance but wished to appeal the penalty. The “below 150% FPL” category includes those tax filers who reported an income below 150% FPL. The “unaffordable” category includes tax filers who reported that insurance was not affordable to them, based on the affordability schedule. Filers with a Certificate of Exemption or a religious exemption are excluded. In addition, a significant number of filers (57,000) had a permissible gap in coverage and could not be classified into the “affordable” and “unaffordable” categories because they were not asked to provide information about whether affordable insurance was available to them.

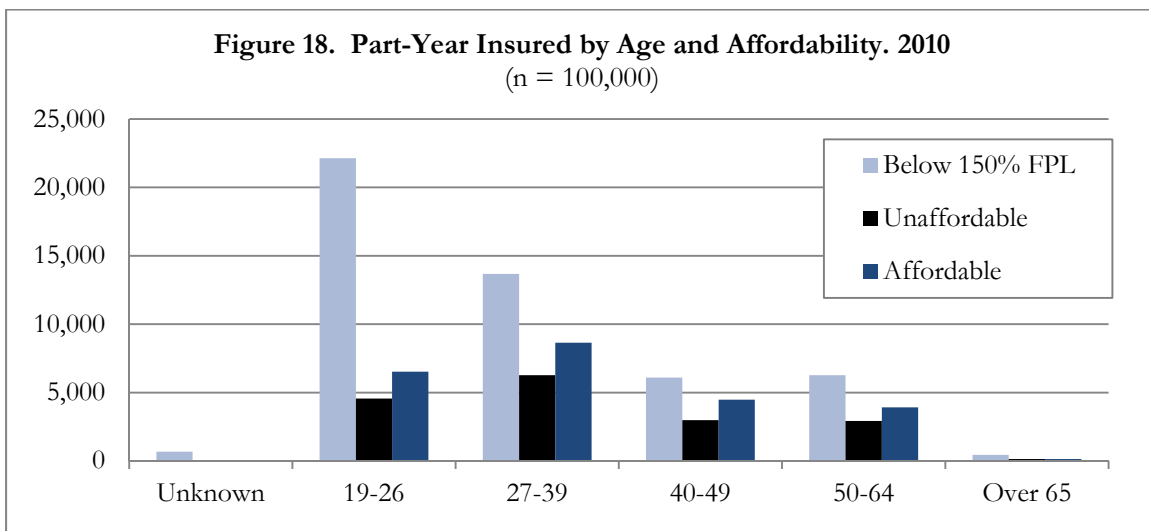


Figure 18b shows the finding that when compared to filers who were uninsured for the full year, a higher percentage of filers who were uninsured for part of tax year 2010 reported being able to afford coverage (26% of filers with part-year insurance, compared with 17% of filers who were uninsured for all of 2010).

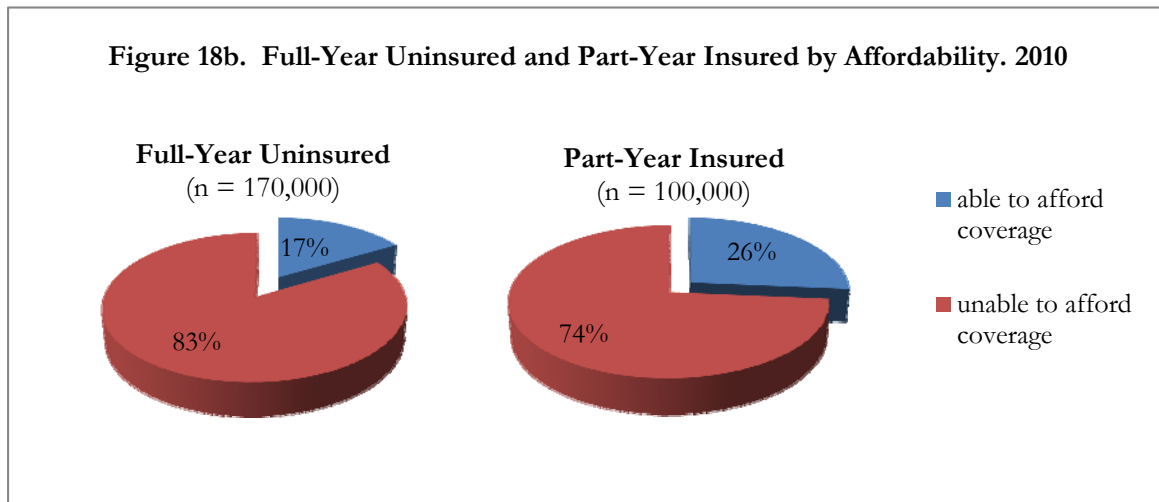


Figure 19 shows the distribution of part-year insured Schedule HC filers by gender. Gender information was available for 74% of filers who were part-year insured. Among part-year insured filers for whom gender information is known, 59% were male. As with full-year uninsured filers (who are described in Figure 7), the majority of part-year insured filers for whom gender is known are men.

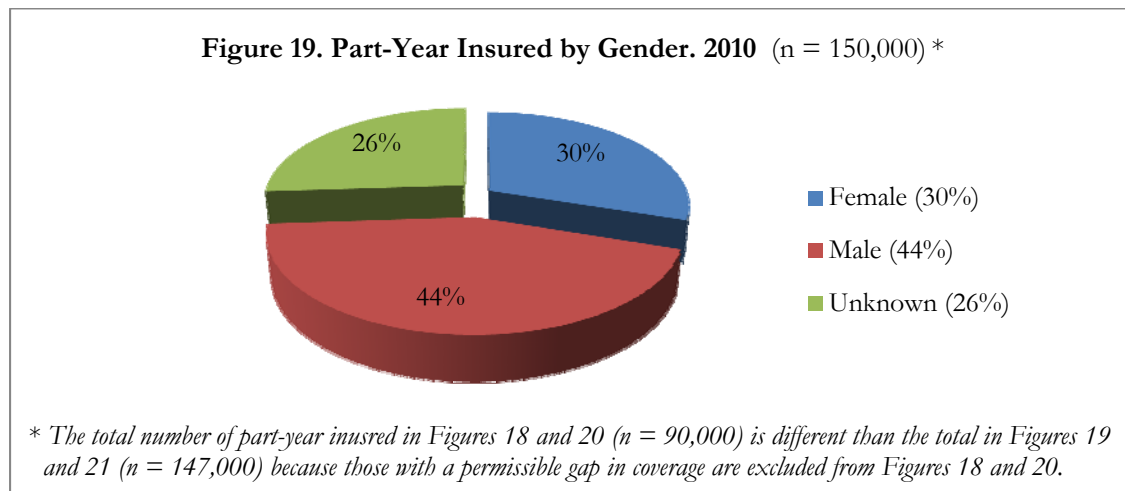


Table 3 shows the regional distribution of filers reporting part-year insurance, compared with the total adult population (age 18 and over) in each region, based on 2010 Census Bureau estimates.

Table 3. Part-Year Insured by Region. 2010			
	Number of Part-Year Uninsured Adult Schedule HC Filers	2010 Adult Population by Region*	Part-Year Uninsured Filers as a % of the Adult Population
Region 1: Berkshire, Franklin, and Hampshire Counties	8,366	294,213	2.8%
Region 2: Bristol, Essex, Hampden, Middlesex, Norfolk, Suffolk, and Worcester Counties	108,383	4,258,984	2.5%
Region 3: Barnstable, Dukes, Nantucket, and Plymouth Counties	15,633	575,509	2.7%
Out of State	14,719	N/A	N/A
* 2010 U.S. Census Bureau estimates			

Figure 20 shows the distribution of part-year insured filers by region and affordability. As previously described, the “affordable” category includes those who reported that they were able to afford insurance and were assessed a penalty, as well as those who reported that they were able to afford insurance but wished to appeal the penalty. The “below 150% FPL” category includes those tax filers who reported an income below 150% FPL. The “unaffordable” category includes filers who reported that insurance was not affordable to them. Filers with a Certificate of Exemption, or religious exemption were less than 1% of the total, and therefore were not included in the figures below. A significant number of filers (57,000) had a permissible gap in coverage and could not be classified into the “affordable” and “unaffordable” categories.

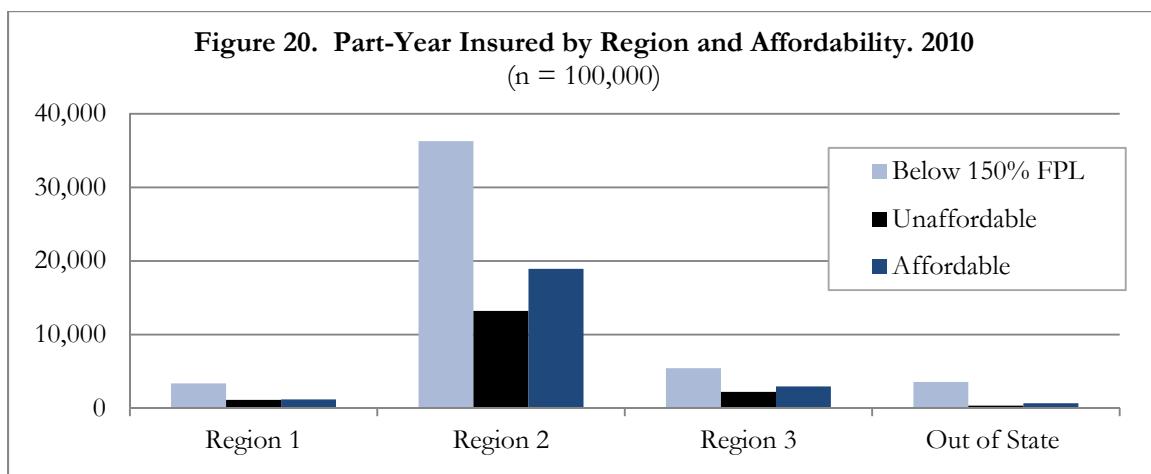
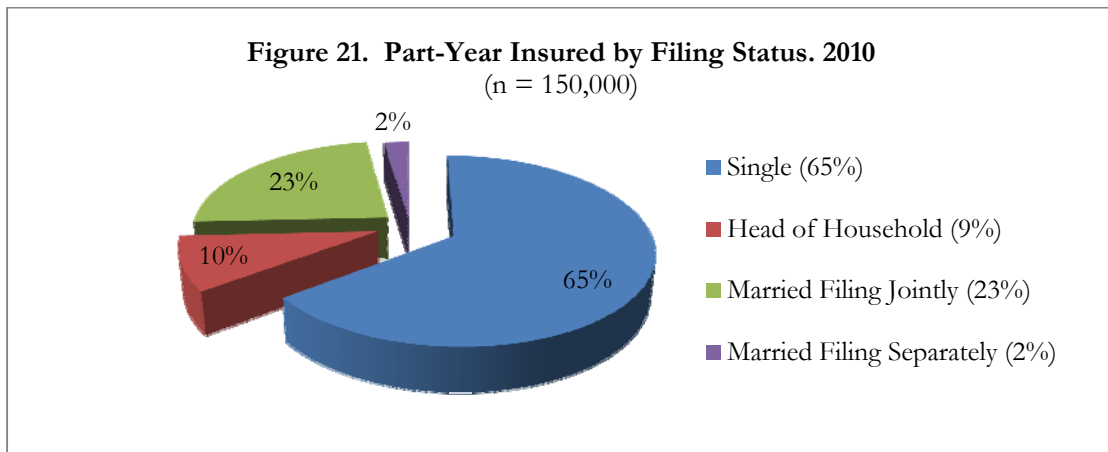
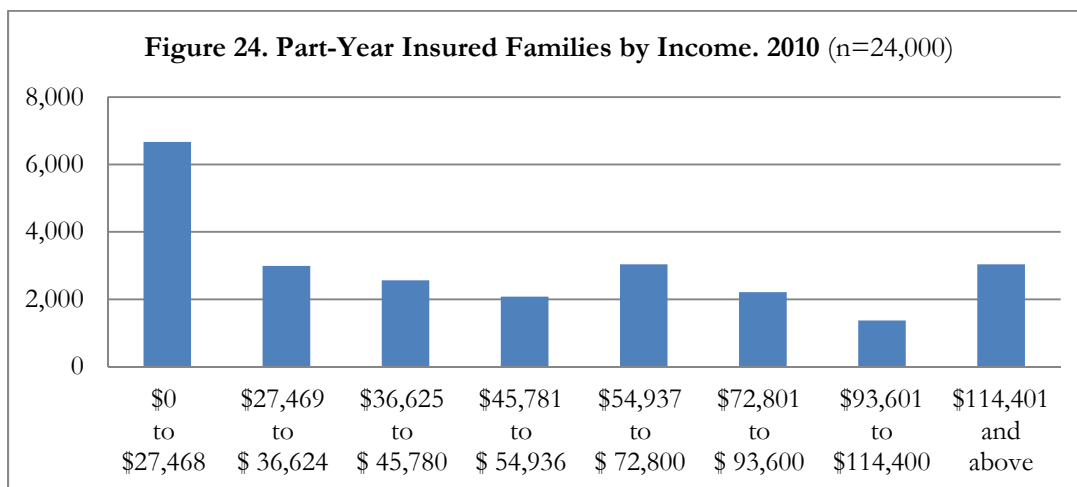
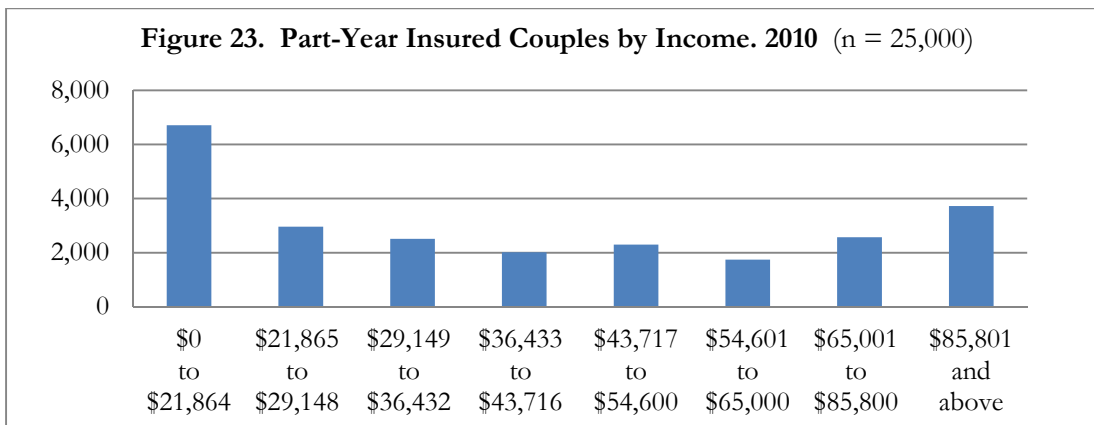
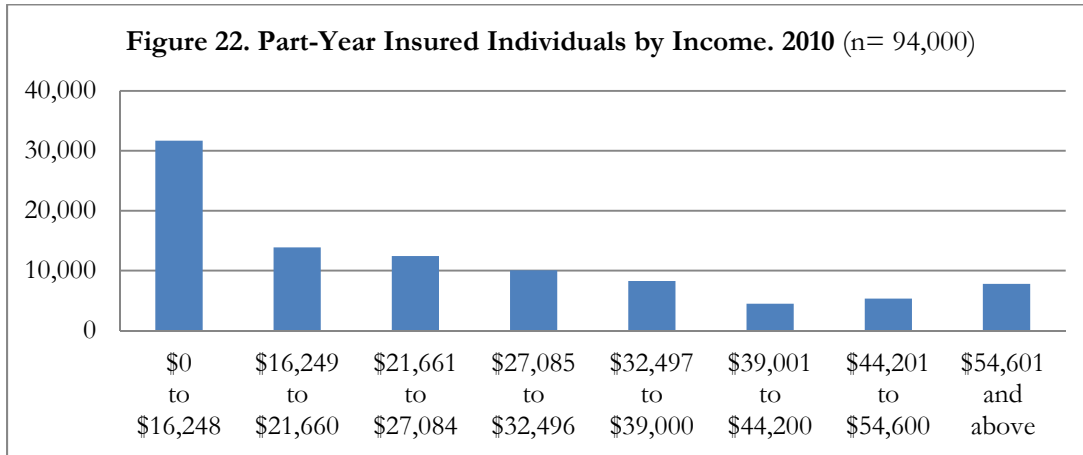


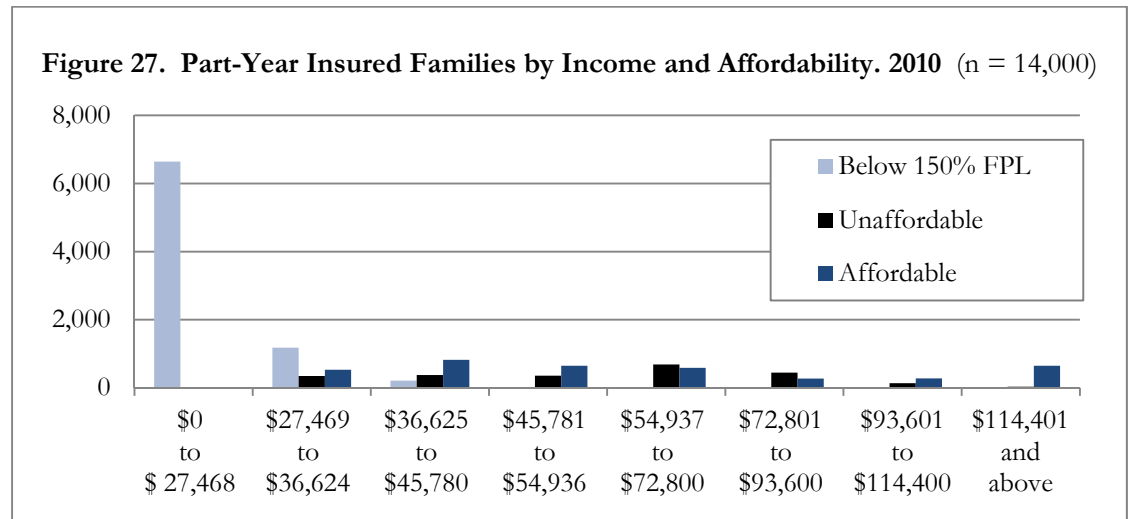
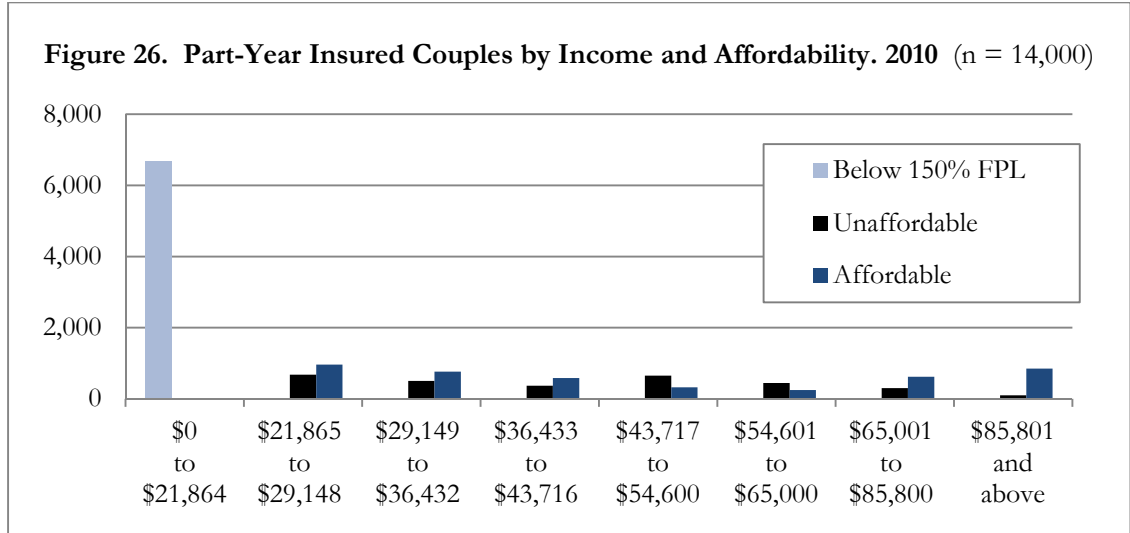
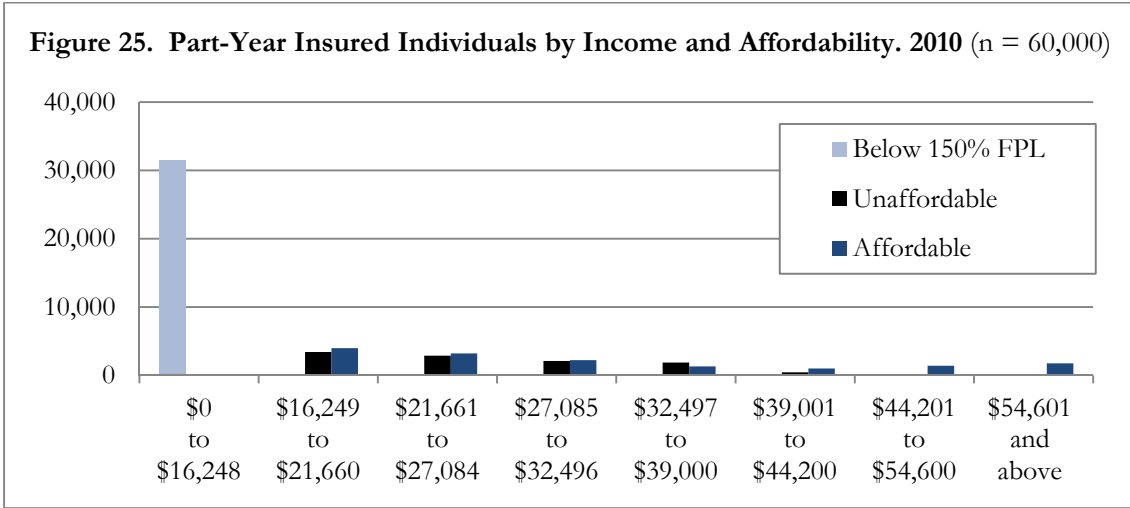
Figure 21 shows the distribution of part-year insured Schedule HC filers by filing status. The majority (65%) of filers who were insured for part of 2010 filed as single.



Figures 22, 23 and 24 show the part-year insured Schedule HC filers by income category. As with full-year uninsured filers (shown in Figures 13, 14 and 15), filers with part-year insurance were categorized as individuals, couples or families, based on filing status and family size. Among adult Schedule HC filers with part-year insurance, 64% (94,000) were categorized as individuals, 17% (25,000) as couples and 16% (24,000) as families. An additional 5,000 filers with part-year insurance could not be categorized on the basis of the information provided.



Figures 25, 26 and 27 show the distribution of filers with part-year insurance by income and affordability.



Summary

This analysis demonstrates that in 2010 there continued to be strong compliance with Massachusetts' health insurance reporting requirements, with 99% of tax filers who were required to file a Schedule HC complying with the reporting requirement.

There continued to be high rates of insurance coverage with 92% of adults who filed a Schedule HC reporting being insured with MCC-compliant coverage for all of 2010. When the additional 4% of adults with part-year insurance are considered, a total of 96% of adults who filed a Schedule HC were insured at some point during the year.

Relatively few filers (24,000 who were uninsured for the full year and 20,000 with part-year insurance, for a combined total of 44,000 filers) were assessed a penalty in 2010. This represents about 1% of tax filers who filed a Schedule HC.

Data for uninsured tax filers is consistent with other reports that suggest that the uninsured in Massachusetts are more likely to be low-income, young, male, and single.

There were no changes to the 2010 Schedule HC form or to the collection and processing of the Schedule HC data. When comparing the results from the 2009 and 2010 analyses, the majority of findings were unchanged.