

Administrative Information Bulletin 05-07:

Guidance regarding the implementation of individual mandate penalties for 2007

December 6, 2007

Pursuant to authority granted in G.L. c. 111M, sec. 4, and G.L. c. 176Q, sec. 3, the Commonwealth Health Insurance Connector Authority (the “Connector”) is issuing this Administrative Information Bulletin (“Bulletin”) to provide guidance in connection with the requirement that Massachusetts residents have insurance by December 31, 2007 or face a potential penalty under the individual mandate set out in G.L. c. 111M. This bulletin makes clear that individuals who have enrolled, and have, as an effective date of coverage, January 1, 2008, in either the Commonwealth Care program or in private insurance through the Connector’s Commonwealth Choice Young Adult Plan will avoid paying a penalty for the 2007 tax year.

1. Any individual who has obtained health insurance coverage that is effective as of January 1, 2008 in the Commonwealth Care program operated by the Connector will be deemed by the Connector to have insurance adequate to meet the standards of G.L. c. 111M for 2007. Those individuals, therefore, will not be liable to pay a penalty to the Commonwealth of Massachusetts under the individual mandate for the tax year ending December 31, 2007.
2. Any individual who has obtained private health insurance through the Connector’s Commonwealth Choice Young Adult Plan that is effective as of January 1, 2008 will be deemed by the Connector to have insurance adequate to meet the standards of G.L. c. 111M for 2007. Those individuals, therefore, will not be liable to pay a penalty to the Commonwealth of Massachusetts under the individual mandate for the tax year ending December 31, 2007.