



NY State of Health Comments on 89 FR 75984 Definition of the Term ‘Coverage Month’ for Computing the Premium Tax Credit

NY State of Health, the State’s Official Health Plan Marketplace, writes to express support for the IRS’ Proposed Rule entitled “Definition of the Term ‘Coverage Month’ for Computing the Premium Tax Credit.”

The Proposed Rule would change the definition of the term “coverage month” such that taxpayers enrolled in a qualified health plan (“QHP”) would no longer be penalized for not paying their full share of premium during their 90-day grace period in instances where the amount of premium paid is sufficient to avoid termination coverage for this month.

NY State of Health supports clarifying the 1095-A reporting requirements in a manner that will reduce consumer confusion and burden as it relates to what they owe when their coverage ends during their 90-day grace period, and to ensure consistency across state and federal agencies in reporting premiums for coverage months for computing the premium tax credit (“PTC”). We support the IRS in changing this process prospectively given the burden of retrospective changes.

The Proposed Rule represents a change to state’s reporting requirements insofar as states would be directed to report the full premium for months in which the taxpayer’s premium share is not paid in full. Given the 9-12 month lead time needed to implement most IT system changes, NY State of Health encourages flexibility in the timing and implementation of this required change.