



FREE MARKET MEDICAL ASSOCIATION

Move Along, Nothing to See Here, *Business as Usual at Healthcare.gov*

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Oops I Did it Again...

As you may have heard, **more than 800,000 participants** who purchased policies on the federally created Marketplace Exchanges have received **incorrect tax documents** from the marketplace overseers. These tax forms are the ACA mandated 1095-A IRS form for individual tax payers. One critical piece of information that was included on the forms from the Exchanges is used to determine the amount of premium tax credit (subsidy) an individual was eligible to receive. This piece of information, which could **drastically alter what a citizen's tax liability** would be for 2014, was **calculated incorrectly** for nearly 20% of participants of the federal Exchange.

To echo the sentiment that many lawmakers expressed after learning of this debacle, it is astounding that the administration has managed to create a healthcare law that is so complex that those who created it cannot properly comply with it. Nearly a million taxpayers will have to wait to file their taxes or will have to file amended tax returns.

What's Good for the Goose

While this is outrageous and disconcerting at best, let's look at what this would mean for those who do not participate in the Exchanges. In 2014, only the Exchanges had to provide 1095-A documentation to individual participants.

For 2015, **employers** will have to begin providing similar documentation (1095-B/1095-C) to their employees for inclusion in their 2015 tax filings (*and additional filings to the IRS, all of these items are covered in 6055 and 6056 regulations*). If an **employer fails to provide CORRECT** forms to employees, the **fine** they are facing is **\$100 per employee** (it's \$250 if you did it "on purpose")!

Of course, there are limits; they wouldn't want to bankrupt folks, would they? You only pay the **\$100 per employee** until you get to \$1,500,000. They were also benevolent enough to reduce the fine if you figure it out and fix it quickly enough (de minimis rules also apply).

So what would Uncle Sam's bill have been had they been subject to the same rules as everyone else? If you look at how many participants were affected (20% of the participants), when the affected will have corrected documents in hand, and then apply the appropriate cap, it looks like they would owe \$60 x 800,000 people = **\$48,000,000**; but the cap is \$500,000. Wow, good thing those rules only apply to the rest of us, right?

Predicting the Future

If history is any indicator of how things will go for the federal Exchange "Marketplace", it should prove to be entertaining at the very least. Website crashes, data breaches, tax debacles, lions, and tigers, and bears OH MY. As much as some want to sit back and laugh at every failure, the truly disheartening part of it is that there are **American citizens** who have been forced into utilizing this new 'system' who are being harmed by all of these glitches, failures, and disasters. As we focus on our free market mission, concentrate on what we are doing CAN help these folks who **truly are being harmed**. When these situations make you angry, as they should—just remember, when we succeed, and keep succeeding; when we expand the movement, and keep expanding, all citizens will have **OPTIONS** and the new power to make a Choice where there wasn't one before.