

EXAMPLE LETTER TO TRIBAL MEMBER REGARDING PREMIUM TAX CREDIT RECONCILIATION

Dear Tribal Member,

This past year, the Tribe paid for you to have health insurance coverage through the Washington Health Benefit Exchange (WHBE), created through the Affordable Care Act (ACA or “Obamacare”.) Purchasing Qualified Health Plan (QHP) coverage through the Exchange allowed extra savings by using a premium tax credit to help pay for your monthly premium. Buying QHP coverage in the Exchange is the only way to receive this tax credit. QHP coverage also includes specific cost-sharing provisions for American Indians and Alaska Natives that eliminate cost-sharing (copays, deductibles and coinsurance), when applied correctly. Savings on premiums (resulting from the tax credits) and enrolled Tribal Members not having co-payments, deductibles or co-insurance on these plans, helped the Tribal Health Program to save funds in 2015. With the cost of health care rising every year, these savings are important to keep the Tribe’s program going at the same level of coverage each year, all year round. Thank you for helping us meet this goal.

Since the premium credit is a tax credit, there are forms that must be filled out and sent to the IRS to account for proper use of the credit. You will be receiving a 1095-A tax form from the WHBE to help with this reconciliation. The 1095-A will show how the tax credits were used for each member of your family and for each month of the year. These forms were mailed out by the WHBE on February 1st.

To reconcile this form with your 1040 tax return, you need to fill out tax [Form 8962](#) and submit it with your tax return. That form is enclosed for your convenience. (See [Instructions for Form 8962](#).) For additional information, please see [IRS publication 5187](#): “Health Care Law: What’s New for Individuals and Families”, pages 13-15. If you use a tax preparer (H&R Block, Turbo Tax, local CPA), they have had training on forms related to the ACA and will need the 1095A to complete your taxes correctly.

The Tribe’s Health staff are not tax professionals and cannot help or advise you on how to fill out your tax forms. We can, however, help you with your coverage and reporting changes in income, family size and other circumstances that can affect your premium tax credit throughout the year.

If the result of your not reporting a change in income or family size in 2015 is that your premium tax credit was wrong, you must sign over any refund you receive to the Tribal Health Program. The premiums for your coverage were paid with federal funds that cannot be used for any purpose other than providing access to medical services for an eligible Tribal person. If not reporting a change results in you having to pay extra, the Tribal Health Program will not be able to reimburse you. Please remember to report changes to us when they happen so we can keep your tax credits up to date all year.

You can contact us at:

(Fill in your info)

Thank you,