



TaxNewsFlash

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Final regulations: Health insurance coverage limited to testing, diagnosis not “minimum essential coverage” (COVID-19)

The U.S. Treasury Department and IRS this afternoon released for publication in the Federal Register final regulations (T.D. 9970) providing that “minimum essential coverage”—as that term is used in health insurance-related tax laws—does not include Medicaid coverage that is limited to coronavirus (COVID-19) testing and diagnostic services provided under the “Families First Coronavirus Response Act” (Pub. L. No. 116-127, March 2020).

The [final regulations](#) [PDF 295 KB] (27 pages) also provide:

- An automatic extension of time for providers of minimum essential coverage (including health insurance issuers, self-insured employers, and government agencies) to furnish individual statements regarding such coverage
- An alternative method for furnishing individual statements when the shared responsibility payment amount is zero
- An automatic extension of time for “applicable large employers” (generally employers with 50 or more full-time or full-time equivalent employees) to furnish statements relating to health insurance that the employer offers to its full-time employees

These final regulations adopt regulations that were proposed in December 2021, with clarifying modifications. Read [TaxNewsFlash](#)

Background

Section 6055 provides that those that provide minimum essential coverage to an individual must report certain information to the IRS that identifies covered individuals and the period of coverage.

The IRS in September 2020 issued Notice 2020-66 to provide that Medicaid coverage that is limited to COVID-19 testing and diagnostic services, pursuant to a provision of the “Families First Coronavirus Response Act,” is not

minimum essential coverage under a government-sponsored program. The IRS notice also indicated that the regulations under section 5000A would be amended to reflect this guidance. Read [TaxNewsFlash](#)

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