



Treasury Inspector General for Tax Administration Office of Audit

AFFORDABLE CARE ACT: HEALTH INSURERS WERE GENERALLY TAX COMPLIANT

Issued on October 1, 2015

Highlights

Highlights of Reference Number: 2016-13-001 to the Internal Revenue Service Commissioner, Small Business/Self-Employed Division; Chief Financial Officer; and Director, Affordable Care Act Office.

IMPACT ON TAXPAYERS

The Federal Government has paid health insurers participating in the Patient Protection and Affordable Care Act advance premium tax credit and cost-sharing reduction subsidy programs more than \$13 billion from January through September 2014. It is important that health insurers receiving Affordable Care Act advance premium tax credit and cost-sharing reduction subsidy payments are compliant with Federal tax laws.

WHY TIGTA DID THE AUDIT

This audit was initiated to evaluate compliance with Federal tax laws by health insurers receiving advance premium tax credit and cost-sharing reduction subsidy payments.

WHAT TIGTA FOUND

TIGTA determined that health insurers that were approved to participate in the advance premium tax credit and/or cost-sharing reduction programs and received subsidy payments on behalf of taxpayers were generally tax compliant. None of the 365 health insurers TIGTA reviewed had been convicted of a felony, and none were currently listed in the Excluded Parties List System as ineligible to receive any Federal payments or benefits.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations as a result of the work performed during this review. However, key IRS officials reviewed this report prior to its issuance and agreed with the facts and conclusions presented.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2016reports/201613001fr.pdf>.