



OCT 2 2014

Dear Tribal Leader:

I am writing to inform you of the announcement made last week by Health and Human Services Secretary Sylvia Burwell that individuals eligible to receive health care from an Indian Health Service (IHS), Tribal, or Urban Indian health care provider will be able to claim an exemption from the shared responsibility payment through the tax filing process starting with the 2014 tax year. The Internal Revenue Service (IRS) and the Treasury Department intend to publish guidance later this year confirming that individuals who are eligible for this exemption may claim it through the tax filing process.

This benefit gives individuals who are eligible to receive services from an Indian health care provider, including the IHS, the same filing option as members of federally recognized Tribes (including Alaska Native shareholders). Both groups will continue to have the option of submitting the exemption application through the Health Insurance Marketplace.

Prior to last week's announcement, exemptions were available both to individuals who were members of a federally recognized Tribe and to individuals who are eligible to receive services from an Indian health care provider. But members of a Tribe were able to claim an exemption through the Federal tax filing process, while individuals who are eligible to receive services from an Indian health care provider were required to obtain this exemption through the Health Insurance Marketplace by filing a paper application.

The availability of the tax filing process to apply for the Indian health care exemption will save time and reduce duplication of effort. Individuals intending to claim this exemption through the tax filing process should retain the same documentation that they would otherwise submit to the Marketplace as part of their exemption application. I have enclosed a diagram to illustrate how to meet ACA requirements for all Americans and individuals eligible for IHS.

Secretary Burwell first announced this updated rule at the Secretary's Tribal Advisory Committee meeting on September 18, 2014. This simplified process for claiming the exemption through the tax filing process was initiated based on requests by Tribal Leaders and achieved through Tribal consultation. The IHS worked closely with the Centers for Medicare & Medicaid Services and the IRS to extend these options to individuals eligible to receive services from an Indian health care provider.

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If you have any questions about the IHS and the Patient Protection and Affordable Care Act, you can e-mail [acainformation@ihs.gov](mailto:acainformation@ihs.gov) or go to our Web site at [www.ihs.gov/aca](http://www.ihs.gov/aca).

Sincerely,

/Yvette Roubideaux/

Yvette Roubideaux, M.D., M.P.H.  
Acting Director

Enclosure