ACA Terminology and Coding Glossary

List of Acronyms:

ACA: Affordable Care Act	**HSA:** Health savings account
ALE: Applicable large employer	**MEC:** Minimum essential coverage
COBRA: Consolidated Omnibus Budget Reconciliation Act	**MV:** Minimum value
ESR: Employer shared responsibility	**PCORI:** Patient-Centered Outcomes Research Institute
FTE: Full-time equivalent	**QSEHRA:** Qualified small employer health reimbursement arrangement
HDHP: High-deductible health plan	**SBC:** Summary of Benefits and Coverage
HFSA: Health flexible spending account	**SPD:** Summary Plan Description

Definitions:

Affordable: Employee's required contribution for self-only coverage in the lowest-cost MV plan does not exceed 9.02% (2025) or 9.96% (2026) of their income.	**Grandfathered plan:** Group health plan that was in existence on March 23, 2010, and since then has not eliminated benefits, decreased the employer's share of coverage cost by more than 5%, or increased the employee's deductibles, copays, or coinsurance over certain levels.
Applicable large employer (ALE): Employer, including all related employers in the same controlled group, averaging 50 or more fulltime and FTE employees in the prior calendar year.	**Group health plan:** Group medical plan (fully insured, self-funded, or level-funded plan) that provides MEC. Dental- or vision-only plans, most HFSAs, employee assistance plans, and fixed indemnity plans are not MEC.
Full-time employee: Employee averaging at least 30 hours of service per week (or 130 per month) as determined under ACA measurement methods.	**Minimum value (MV):** Group health plan pays at least 60% of allowed costs and includes substantial physician and inpatient hospital coverage.

Click HERE for a full list of Acronyms and Definitions

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Coding Resource:

Series 1: Offer of Coverage

Most Common:

1A	Qualifying Offer: MEC that provides MV to the employee, spouse, and dependents with affordability
1E	Minimum Essential Coverage (MEC) providing (Minimum Value) to employee, spouse, and dependents
1G	Used for retirees or terminated employees with COBRA - Offer of coverage to a non-full-time employee who was enrolled in self-insured coverage for one or more months of the year (used for multiemployer/transition relief).
1H	No offer of coverage (or coverage offered was not MEC).

Uncommon:

1B	EE Only
1C	Offered to EE and Dependent and not spouse
1D	Offered to EE and Spouse and not dependents
1F	MEC without MC to EE, SPS, DEP
1J	MEC with MV offered to employee; unformatted or conditional offer to spouse.
1K	MEC with MV offered to employee; conditional offer to spouse; dependent coverage offered.

ICHRA CHOICE Codes:

1L-1U	ICHRA (Individual Coverage Health Reimbursement Arrangement) offer codes (require zip code reporting on Line 17)

Series 2: Safe Harbors & Enrollment

Most Common:

2A	Employee not employed during the month
2B	Employee not a full-time employee (did not reach full-time status)
2C	Employee enrolled in the health coverage offered
2D	Employee in a Section 4980H(b) limited non-assessment period (e.g., waiting or-orientation period)
2E	Multi-employer interim rule relief (union plan)

Waived Coverage:

2F	Form W-2 safe harbor (affordability based on W-2 wages)
2G	Federal Poverty Level (FPL) safe harbor (affordability based on federal poverty line).
2H	Rate of Pay safe harbor (affordability based on hourly rate of pay).
Blank	Used when no specific safe harbor applies or when Code 1A is used

Click **HERE** for a full Code List and isolved Learn & Grow: **What are ACA Codes?**