

# FYI<sup>®</sup> Roundup

## For Your Information<sup>®</sup>

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## Health and Welfare Benefits – Winter Edition

Our latest *FYI Roundup* highlights some recent developments affecting health and welfare benefits. We include recent ACA guidance on such topics as full-time employees, market reform, out-of-pocket maximums, low income subsidies, and transitional insurance, as well as the latest on the EEOC and wellness programs and classifying certain benefits as HIPAA-excepted.

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### IRS Approach to Changes in Measurement Methods

In complement to the final regulations, the IRS issued guidance addressing the methodology used to determine full-time status when an employee changes positions within the employer or the employer changes the measurement method for a category of employees. (See our [November 25, 2014 For Your Information](#).)

### New FAQs on Premium Reimbursement Arrangements

The Departments of Treasury, Labor, and Health & Human Services (departments) issued three FAQs, reinforcing the position that premium reimbursement arrangements or similar arrangements are group health plans subject to the ACA market reform requirements, such as the prohibition on annual and lifetime limits, unless integrated with employer-sponsored coverage (that is not an excepted benefit). The guidance cautions employers could be subject to significant excise taxes if they reimburse employees' individual health insurance premiums either on a pre- or post-tax basis or if they offer employees with high claims risk a choice between the employer's health plan and cash. (See our [November 19, 2014 For Your Information](#).)



## Additional Guidance on Reference-Based Pricing and Out-of-Pocket Maximums

In response to questions from the benefits community, the departments released an FAQ clarifying how sponsors of non-grandfathered plans that use reference-based pricing can comply with ACA's limits on out-of-pocket maximums. Certain group health plans that use reference-based pricing, or similar network designs, may need to take action to comply with this guidance. (See our *For Your Information* from [November 12, 2014](#).)

## Supreme Court to Hear ACA Subsidies Case

The Supreme Court has agreed to take up the issue of whether federally facilitated marketplaces may provide low income subsidies to qualified individuals purchasing health coverage. The outcome of this case is important to employers because shared responsibility assessments are triggered only when a full-time employee purchases subsidized coverage through a marketplace. (See our [November 11, 2014](#) *For Your Information*.)

## EEOC Request to Block Wellness Program Denied

A federal court in Minnesota denied the EEOC's request for a temporary restraining order and preliminary injunction to block implementation of a penalty imposed on employees who decline to participate in biometric testing under an employer's wellness program. Rejecting the EEOC's claim that employees would be irreparably harmed if the employer's wellness program was carried out, the court did not address the EEOC's likelihood of success on the merits — that such a program violated the ADA and GINA. (See our [October 30, 2014](#) and [November 4, 2014](#) *For Your Information* publications.)

## Delayed HPID Requirements

The Centers for Medicare & Medicaid Services (CMS) announced that, effective October 31, enforcement efforts requiring health plans to obtain Health Plan Identifiers (HPIDs) and to use them in certain HIPAA transactions was delayed until further notice. The CMS release indicates that the Department of Health & Human Services (HHS) is reviewing the future use of the HPID (a standard, unique 10-digit identification number) in HIPAA transactions. (See our [November 3, 2014](#) *For Your Information*.)

## Expanded Permissible Cafeteria Plan Election Changes

The IRS released guidance expanding the cafeteria plan election change rules to permit mid-year election changes in two ACA-related circumstances: when an employee experiences a reduction in hours during a shared responsibility stability period and for special or open enrollment periods in the public marketplace. Plan amendments are required for employers wishing to expand their cafeteria plan's list of permissible election change events. (See our [October 21, 2014](#) *For Your Information*.)

## Limited-Scope Vision and Dental Benefits and EAPs

The departments issued final regulations addressing limited-scope vision and dental, long-term care, and EAPs as HIPAA-excepted benefits. The regulations apply for plan years beginning on or after January 1, 2015, so employers who offer these benefits should



carefully review these regulations to ensure design and administration compliance. (See our [October 8, 2014 For Your Information](#).)

## Transitional Reinsurance Fee Information

Our [November 6, 2014 For Your Information](#) addresses some of the many questions employers have about the transitional reinsurance fee. Further, although CMS delayed the November 17 reinsurance submission deadline, it did not change the January 15, 2015 or November 15, 2015 payment deadlines. (See our [November 17, 2014 For Your Information](#).) The Transitional Reinsurance Annual Enrollment and Contributions Submission Form is available on pay.gov for making payments. (See our *FYI Alert* from [October 21, 2014](#).)

## Important Benefits Information for 2015

Revenue Procedure 2014-61 contains 2015 limits for qualified transportation fringe benefits, adoption assistance programs, long-term care premiums, health flexible spending accounts, and medical savings accounts. (See our [October 30, 2014 For Your Information](#).)

The 2015 limit on salary reduction contributions to a health flexible spending account is \$2,550, and the PCORI fee for 2014 is \$2.08. The 2015 ACA indexed amounts for the out-of-pocket maximum are \$6,600 for self-only coverage and \$13,200 for other coverage. The 2015 transitional reinsurance fee is \$44 per covered life. (See our [November 6, 2014 For Your Information](#).)

CMS released the 2015 Medicare Part A and B premium, deductible, and coinsurance amounts. There is a slight decrease in Part A premiums and a small increase in Part A deductible and coinsurance amounts; Part B amounts are unchanged. (See our [October 13, 2014 For Your Information](#).) The 2015 Medicare Part D amounts were released earlier this year as described in our [April 30, 2014 For Your Information](#).

## 2016 Reinsurance Contribution Rate and OOP Maximums

HHS has proposed a 2016 transitional reinsurance rate of \$27 and provided additional guidance in several key areas of the reinsurance program. HHS has also proposed 2016 out-of-pocket maximums of \$6,850 for self-only coverage and \$13,700 for other than self-only coverage, and provided guidance on the marketplace open enrollment periods for 2016 and later years. (See our [December 3, 2014 For Your Information](#).)

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