

FYI[®] Roundup

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Recent Health and Welfare Developments 2019 – Winter Edition

This winter edition *FYI Roundup* focuses on developments affecting health and welfare benefits. In this edition, we review recent ACA-related guidance, including guidance on health reimbursement arrangements and short-term limited duration health insurance, changes to 2019 benefit limits and 2019 Medicare Part A and B values, and HIPAA penalties.

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Departments finalize expanded exemption from contraceptive coverage mandate

Last November, the Departments of Treasury, Labor, and Health & Human Services finalized regulations expanding the types of entities that can opt not to provide contraceptive coverage to their employees based on religious or moral objections. While these rules likely will not affect the majority of employer plans subject to the ACA's contraceptive coverage mandate, employers with religious or moral objections to providing some or all types of contraceptive coverage may wish to consider their options in light of this guidance. ERISA-governed plans seeking to eliminate coverage for some or all contraceptive services should be mindful that ERISA's disclosure rules apply to these coverage changes. (See our [December 13, 2018 For Your Information](#).)

IRS delays 2018 employer ACA reporting

The IRS extended the ACA deadline for furnishing Forms 1095-C and 1095-B to individuals — from January 31, 2019 to March 4, 2019. The deadline for filing the forms with the IRS electronically was not delayed and is April 1, 2019. In addition, the IRS extended the relief from penalties provided for past reporting years to 2018 reporting. Thus, reporting entities that can show they made a good faith effort to comply with the reporting requirements — both for furnishing statements to individuals and filing statements and returns with the IRS — will not be subject to penalties. (See our [December 3, 2018 FYI Alert](#).)

IRS updates PCORI fee amount

The IRS announced that the amount used to calculate the PCORI fee for plan years ending on or after October 1, 2018, but before October 1, 2019, including 2018 calendar year plans, is \$2.45 per covered life. The fee will not be assessed for plan years ending after September 30, 2019, which means that the last year of assessment for calendar year plans will be the 2018 calendar year. (See our [November 28, 2018 For Your Information](#).)

Departments propose expanding employers' HRA options

In response to the White House's 2017 directive to expand employers' ability to offer health reimbursement arrangements (HRAs) to their employees, the departments issued proposed regulations that set out conditions under which an HRA can satisfy the ACA's market reforms through integration with individual coverage. The proposed rules also provide for an excepted benefit HRA that would not be integrated with individual coverage. Treasury and IRS subsequently issued a notice that provided guidance on how HRAs integrated with individual coverage might satisfy the ACA's employer mandate and Code section 105(h) nondiscrimination requirements. Comments on both the proposed regulations and the notice were due by December 28, 2018, and the departments expect final rules to apply to plan years beginning on or after January 1, 2020. (See our [December 10, 2018 FYI In-Depth](#).)

Departments expand definition of short-term, limited-duration health insurance

Last August, the departments expanded the scope of coverage that can be considered short-term, limited-duration health insurance that need not comply with the ACA's market reforms. The new rule, effective October 2018, allows insurers to offer these policies with medical underwriting and pre-existing medical condition exclusions. While the rule may weaken the ACA-compliant individual health insurance market risk pool, it's not expected to affect employer-sponsored coverage. (See our [October 19, 2018 For Your Information](#).)

IRS announces some 2019 benefit plan limits

In November, the IRS issued Revenue Procedure 2018-57, which contains 2019 limits for health flexible spending arrangements, qualified transportation fringe benefits, adoption assistance benefits, and long-term care premiums. (See our [November 15, 2018 FYI Alert](#).)

CMS releases Medicare Part A and B values for 2019

CMS announced the 2019 Medicare Part A and B premium, deductible and coinsurance amounts. There is a small increase in Part A and Part B amounts. The 2019 Medicare Part D parameters were released earlier in 2018. (See our [October 18, 2018 For Your Information](#).)

HHS adjusts penalties for HIPAA violations

HHS announced its annual inflation-related adjustments to civil monetary penalties for violations of the HIPAA privacy and security rules. These penalties reflect a 2.041 percent increase over the prior amounts and are effective as of October 11, 2018. (See our [October 15, 2018 For Your Information](#).)

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