

# FYI<sup>®</sup> Roundup

## For Your Information<sup>®</sup>

### Health roundup 2020 – Fall edition

This *FYI Roundup* recaps health and welfare issues that have been front and center thus far this year. We cover COVID-related legislation and guidance, ACA updates, and information on updated health plan limits, parameters, and notices.

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#### COVID

##### IRS relaxes HDHP requirements in response to COVID-19

In response to the coronavirus crisis, IRS issued guidance allowing HDHP/HSA plans to cover diagnostic services and treatment of COVID-19 prior to satisfaction of the plan's deductible without impacting employees' ability to make contributions to the HSA. (See our [March 11 FYI Alert](#).)

##### Coronavirus bill provides new employee paid leave benefits

On March 14, the U.S. House of Representatives passed the emergency Families First Coronavirus Response Act (H.R. 6201) in response to the spread of the coronavirus. The bill includes, among other things, provisions relating to paid leave benefits. (See our [March 18 FYI](#).)

##### President signs coronavirus bill

On March 18, the Senate overwhelmingly approved the Families First Coronavirus Response Act (H.R. 6201) without any changes to the House-passed bill and the president immediately signed it into law. The new law provides paid leave benefits, enhances unemployment insurance benefits, institutes free COVID-19 testing, and provides certain tax credits to help cover benefit costs. (See our [March 19 FYI Alert](#).)

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#### COVID Roundup

See our [September 11 FYI Roundup](#), "COVID-19 and the workplace: a six-month recap," for more on key multidisciplinary HR and benefit developments surrounding the pandemic.

### Key health and welfare provisions in CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law by the president on March 27, after the U.S. House of Representatives followed the Senate and approved the bill. (See our [March 31 FYI Alert](#).)

### Guidance issued on COVID-19 diagnostic testing coverage mandate

The DOL, HHS, and Department of the Treasury issued a set of FAQs that provide guidance to group health plan sponsors on various issues related to implementation of the COVID-19 diagnostic testing mandate. (See our [April 15 FYI Alert](#).)

### Impact of COVID-19 on HIPAA compliance and employer considerations

In the wake of COVID-19, HIPAA's security and privacy rules addressing the disclosure of protected health information and, in particular, electronic protected health information are front and center. (See our [April 30 FYI](#).)

### Agencies extend timeframes for HIPAA, COBRA and claims actions

The DOL and Department of the Treasury provided relief to group health plans, disability and other welfare benefit plans, pension plans and their participants and beneficiaries affected by COVID-19 by extending certain timeframes that otherwise would apply to them. (See our [May 7 FYI](#).)

### IRS expands permissible mid-year cafeteria plan election changes

To assist employees affected by the COVID-19 outbreak, the IRS significantly increased employer flexibility in allowing mid-year election changes for cafeteria plans, health FSAs and dependent care FSAs. These changes are optional for employers and are only effective for 2020. (See our [May 14 FYI Alert](#).)

### Additional guidance on COVID-19 diagnostic testing coverage mandate

The DOL, HHS, and Department of the Treasury issued a set of FAQs that provide additional guidance for group health plan sponsors on a variety of questions concerning implementation of the COVID-19 diagnostic testing mandate. (See our [July 1 FYI](#).)

## Affordable Care Act

### IRS provides updated PCORI fee amount – payment due by July 31

The IRS has announced that the amount used to calculate the PCORI fee for 2019 calendar year plans is \$2.54 per covered life. (See our [June 10 FYI](#).)

## HHS finalizes 2021 out-of-pocket maximums and treatment of prescription drug coupons

The Department of Health & Human Services has set the 2021 out-of-pocket maximums for non-grandfathered plans at \$8,550 for self-only coverage and \$17,100 for other than self-only coverage. In addition, HHS has finalized rules on how cost-sharing amounts individuals paid for brand name drugs using drug manufacturers' coupons are applied towards a plan's out-of-pocket maximums. (See our [July 29 FYI](#).)

## IRS releases ACA shared responsibility affordability percentage for 2021

The IRS has released the 2021 contribution percentage used to determine whether employer-sponsored coverage is affordable for purposes of ACA premium tax credit eligibility and for employer shared responsibility assessments. Employers should consider this affordability percentage in developing their 2021 contribution strategies. (See our [August 5 FYI](#).)

## IRS extends deadline for 2020 employer ACA disclosures

The IRS has extended the ACA deadline for furnishing Forms 1095-B and 1095-C to individuals — from January 31, 2021 to March 2, 2021. The deadline for filing the forms with the IRS electronically has not been extended and remains March 31, 2021. (See our [October 7 FYI](#).)

## General

### 2020 planning for health and welfare benefit plan operations

We have resources that can help you stay on top of health and welfare compliance issues and deadlines. The calendar in this *FYI* presents a schedule of activities that address important upcoming deadlines, and our Reporting and Disclosure Guide will help you identify and address other activities that are event based and participant specific. (See our [January 22 FYI In-Depth](#).)

### R&D Guide available

Our [Reporting and Disclosure Guide](#) includes a summary of major ERISA R&D requirements, up-to-date information on required notices for health, welfare, wellness, and DB and DC retirement plans, associated penalties for noncompliance, and information on temporary extensions issued in response to the pandemic.

### Submit prescription drug creditable coverage disclosures by February 29, 2020

Each year, group health plan sponsors that provide prescription drug coverage to individuals eligible for Medicare Part D must disclose to CMS whether that coverage is “creditable” or “non-creditable.” The disclosure obligation applies to all plan sponsors that provide prescription drug coverage, even those that offer prescription drug coverage only to active employees and not to retirees. Calendar year plans must submit this year's disclosure by February 29, 2020. (See our [February 5 FYI](#).)

### DOL updates model COBRA notices

The DOL updated its model general COBRA notice and COBRA election notice to include useful information for Medicare-eligible qualified beneficiaries who are offered COBRA after a job loss or other qualifying event. The department also posted an FAQ that discusses the interplay between Medicare and COBRA. (See our [May 13 FYI](#).)

### IRS announces 2021 HSA/HDHP limits

IRS has released the 2021 HSA and high-deductible health plan limits. The annual contribution limits and out-of-pocket amounts for self-only and family coverage all increased over 2020 limits. The deductible amounts did not change. (See our [May 26 FYI](#).)

### CMS releases 2021 Medicare Part D benefit parameters

CMS has released the 2021 Medicare Part D standard benefit parameters and the cost thresholds and limits for prescription drug plans. (See our [June 18 FYI](#).)

### Deadline for Medicare Part D creditable/non-creditable coverage notices is October 14, 2020

Plan sponsors that offer prescription drug coverage must provide notices of creditable or non-creditable coverage to Medicare-eligible individuals before each year's Medicare Part D annual enrollment period — this year, by October 14. The notice obligation is not limited to retirees and their dependents but also includes Medicare-eligible active employees and their dependents and Medicare-eligible COBRA participants and their dependents. (See our [August 27 FYI](#).)

### IRS announces some 2021 benefit plan limits

The IRS has issued Revenue Procedure 2020-45, which contains 2021 limits for health flexible spending arrangements, qualified transportation fringe benefits, adoption assistance programs, and long-term care premiums. (See our [October 27 FYI Alert](#).)

### CMS releases 2021 Medicare Part A and B values

CMS has announced the 2021 Medicare Part A and B premium, deductible, and coinsurance amounts. As in prior years, there are increases in these amounts. (See our [November 10 FYI Alert](#).)

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