

HSAs & HDHP MAY BECOME MORE ATTRACTIVE

The IRS' latest move may make HSAs even more attractive. As you know by now, HSAs are individually owned accounts that can be used to pay various medical expenses. To be HSA eligible, the employee must participate in a high deductible health plan (HDHP) and receive no disqualifying coverage.

[IRS GUIDANCE ON PREVENTIVE CARE FOR HSA PLANS](#)

[IRS ALLEVIATES CHRONIC CONDITIONS FOR HDHP](#)

One of the requirements for a HDHP is that it cannot provide any benefits until the individual satisfies the HDHP's deductible except for preventive care. The IRS has just expanded the definition of preventive care to include benefits for certain chronic conditions. This means the HDHP can pay for certain benefits below the HDHP's deductible and the person will still be HSA eligible. This will make HDHPs and HSAs more attractive but the HDHP premiums may go up since the plan is now able to cover more expenses.

ACA AFFORDABILITY PERCENTAGE DECREASES

The Affordable Care Act imposes a penalty on larger employers that fail to offer quality/affordable coverage. If the coverage is not considered affordable and a full time employee goes to the health care exchange and receives a premium tax subsidy, the employer will be penalized. So, it becomes critical to determine if the employer's health coverage for the employee is considered affordable.

[2020 AFFORDABILITY THRESHOLD WILL DECREASE TO 9.78%](#)

The coverage is considered "affordable" for these purposes if the employee's cost of single coverage does not exceed certain percentage of the employee's income. That percentage changes from year to year and the IRS just released the percentage for 2020. This article does an excellent job of explaining the rules.

WHERE IS MY CADILLAC?

The Affordable Care Act imposes an excise tax on expensive health plans. This tax is referred to as the Cadillac tax. The tax is now scheduled to kick in on January 1, 2022.

[ACA UPDATE: CADILLAC TAX REPEAL WITHIN SIGHT](#)

[CONGRESS WON'T WHACK THE CADILLAC](#)

However, the most recent talk is that the Cadillac Tax may be completely repealed. There are two sides of the story; the first article says the Cadillac Tax will be repealed while the second story say the Cadillac will not be repealed.

ACA DISCRIMINATION RULES CUT BACK

There are several statutes that impede employers from discriminating against individuals for a number of reasons. The Affordable Care Act contained its own set of rules precluding discrimination.

[HHS PROPOSES REVISION OF NONDISCRIMINATION REGULATIONS](#)

The Trump administration continues to chip away at the Affordable Care Act and its latest move is to dramatically change the statute's discrimination rules. The elimination of this protection may impact costs down the road.

CREATIVE EMPLOYEE BENEFITS

As the economy continues to gain steam, the job market is becoming more competitive for skilled employees. Here is a list of some non-traditional benefits some employers are beginning to offer.

[BEST NON-TRADITIONAL BENEFITS TO OFFER THIS YEAR](#)

It really boils down to how hard it is to attract and retain quality workers. Some employers are having a harder time than others and are willing to spend money on these types of non-traditional benefits.

DRUG IMPORTATION

One of the criticisms of the United States health care system is the high cost of drugs. Other countries provide drug costs at a much lower price than in the United States. The Trump administration is trying to bring an end to that practice.

[ADMINISTRATION ANNOUNCES SAFE IMPORTATION OF PRESCRIPTION DRUGS](#)

The Department of Health and Human Services is proposing rules to allow the importation of certain drugs from Canada. This move is expected to create competition which, in turn, will hopefully lower drug costs in the United States.

EBHRAs

There has been a lot of focus on the new ICHRA that allow employers of all sizes to sponsor a health reimbursement arrangement that can reimburse employees premiums for individual health policies. These new vehicles are called ICHRA. What has received less attention are excepted benefits health reimbursement arrangements or EBHRA.

[DIGGING INTO NEW HRA REGULATIONS: EXCEPTED BENEFIT HRAs](#)

The name is misleading because EBHRAs can pay for more than just vision and dental benefits. This article explains the rules governing EBHRAs.

GOVERNMENT IN THE PROCESS OF ISSUING NEW FMLA FORMS

The Family Medical Leave Act or FMLA was signed into law by President Clinton and requires larger employers to provide certain employees unpaid leave under certain circumstances.

[US DOL: PROPOSED FORM REVISION FOR FMLA](#)

The government provides various forms of assistance and, with respect to the FMLA, the government provides sample documents employers can use to comply with the statute. The government is in the process of revamping those templates.

BOOT THAT SPOUSE

As employers look for ways to reduce health care costs, one trend that is emerging is to increase the cost to cover spouses or exclude them completely from the health plan.

[FEWER SPOUSES COVERED ON EMPLOYEE BENEFIT PLAN](#)

The Affordable Care Act requires large employers to offer health coverage to full time employees and their children but not to the spouse. Therefore, employers are imposing surcharges to cover spouses and some employers are not covering spouses at all under the group health plan. Note: if the employer is going to exclude the spouse from the health plan, the plan documents must accurately reflect that fact. If the employer is going to assess a surcharge to cover the spouse, that may create a special enrollment period depending upon the amount of the surcharge.

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