



December 2018

Options for HRAs Would Be Expanded Under Proposed Rule

On Oct. 23, 2018, the Departments of Labor, Health and Human Services, and the Treasury (Departments) issued a [proposed rule](#) that would expand the usability of health reimbursement arrangements (HRAs). Effective in 2020, the proposed rule would:

- Allow HRAs to be used to reimburse the cost of individual market premiums on a tax-preferred basis, subject to certain conditions; and
- Allow employers that offer traditional group coverage to provide an HRA of up to \$1,800 per year (as adjusted) to reimburse certain qualified medical expenses.

This proposed rule was issued in response to a 2017 [executive order](#) directing federal agencies to expand access to HRAs.

What does this mean for employers?

According to the Departments, the proposed rule is intended to provide a more affordable and manageable option for employers that have struggled to offer health coverage to their employees. As a result, the Departments anticipate that the proposed rule could dramatically increase the choices of coverage available for workers and their families.

Comments on the proposed rule will be accepted until Dec. 28, 2018. The rule, if finalized, is proposed to be effective for plan years beginning on and after Jan. 1, 2020.

Where can I get more information?

For more information on the rule, please visit the Department of Labor's website, which features a [press release](#) about this proposed rule. In addition, contact Loudoun Insurance Group LLC today to learn more about this proposed rule and to get your questions answered.

DID YOU KNOW?

President Donald Trump recently signed two bills into law that ban the "gag clauses" that can result in consumers overpaying for their prescriptions.

These two bills—the Know the Lowest Price Act and the Patient Right to Know Drug Prices Act—promote transparency in drug pricing, which, according to the Trump administration, will result in lower drug prices.

Don't Forget to Provide an SBC This Open Enrollment

Employers that sponsor group health plans should provide certain benefit notices in connection with their plans' open enrollment periods. Some of these notices must be provided at open enrollment time, such as the summary of benefits and coverage (SBC).

Group health plans and health insurance issuers are required to provide an SBC to applicants and enrollees each year at open enrollment or renewal time. Federal agencies have provided a [template](#) for the SBC, which health plans and issuers are required to use.

The issuer for fully insured plans usually prepares the SBC. If the issuer prepares the SBC, an employer is not also required to prepare an SBC for the health plan, although the employer may need to distribute the SBC prepared by the issuer.