

New Required Reporting for Health Reimbursement Arrangements (HRAs)

The Centers for Medicare & Medicaid Services (CMS) has issued guidance on new data-reporting obligations for third party administrators of Health Reimbursement Arrangements (HRAs) under the Medicare Secondary Payer (MSP) rules. The MSP rules specify when a group health plan must pay primary and when it may pay secondary if an individual is covered under both a group health plan and Medicare. CMS has indicated that HRAs are group health plans subject to the MSP rules.

Medicare Secondary Payer (MSP) Changes To Annual Benefit Level Threshold

Effective October 3, 2011, only HRA coverage that reflects an annual benefit level of \$5000 or more is required to be included in Health Reimbursement Arrangement (HRA) MSP reporting. This is a change from the prior \$1000 benefit level. Funding deposit amounts rolled over from the previous year's coverage must be included when calculating the current year's annual benefit amount.

The new \$5000 Annual Benefit Reporting Threshold applies to all new or renewing HRA coverage which becomes effective on or after October 3, 2011. Existing coverage will continue to be reported at the present threshold until the employer's HRA benefit period is renewed.

If you are required to submit MSP reporting to Discovery Benefits, please look forward to future communication on how this will affect your reporting.

In the meantime, if you have any questions concerning this information, please contact our Benefits Account Management team at 877-765-8810.