



## HEALTH PLAN CHANGES IN THE TIME OF COVID-19

April 2020



Did you know that **coronavirus** refers to the virus, while **Covid-19** refers to the resulting disease? For purposes of this article, we will use "**coronavirus**" to include both.

Congress has been busy trying to help reduce the impact of the **coronavirus** on individuals and businesses through a series of stimulus packages. Notably, they passed the **Families First Coronavirus Response Act (FFCRA)** and the **Coronavirus Aid Relief, and Economic Security Act (CARES)**. In addition, the **Health and Human Services (HHS)**, **Department of Labor (DOL)** and the **Internal Revenue Service (IRS)** are issuing guidance with respect to these Acts. The following is a summary of changes that may affect your group health plans.

If you have fully-insured plans, please discuss these changes with your insurance carriers to ensure any required amendments are made. If you have self-insured plans, please review these changes with your stop loss carrier.

### OVER-THE-COUNTER MEDICINES

If you sponsor the following plans:

- Health Flexible Spending Account Plan (Health FSA)
- Limited Flex Plan (LMT FSA)
- Health Reimbursement Arrangement Plan (HRA)
- Health Savings Accounts (HSA)

These plans may reimburse participants on a pre-tax basis for over-the-counter medicines and medical products without a prescription and for menstrual care products.

Keep in mind, due to the suddenness of these changes, administrators, point-of-sale merchants, and debit cards, have not been fully updated. We will keep you informed as our partners make progress. In the meantime, since this change is effective for expenses incurred after December 31, 2020, we can process claims manually. This is a permanent change for Health FSAs, HRAs and HSAs, unless a future law reverses it.

If you have not contacted us already, please let us know if you would like your Health FSA, or your HRA, to be amended, if applicable. Also, you may need to update any policies regarding your HSA.

## TELEHEALTH SERVICES

To offer some relief to overwhelmed healthcare workers, Congress encourages individuals to use telehealth services. The CARES allows High Deductible Health Plans (HDHPs) to offer telehealth services related to coronavirus to participants with no cost-sharing. Plans may also offer non-coronavirus telehealth services without cost-sharing. *Without cost-sharing means no co-pays, no co-insurance, and no deductibles.* Even though telehealth services can be provided with no deductible, it does not jeopardize the status of the HDHP and any accompanying HSA. Although this change is not restricted to coronavirus-related services, it is set to expire on December 31, 2021.

## CORONAVIRUS TESTS/PREVENTIVE SERVICES

### Testing

Coronavirus diagnostic testing (including for antibodies) and related services (any items or services provided during a visit to a healthcare provider, including telehealth) must be provided to participants without any cost-sharing. Original, the FFCRA only included testing approved by the Food and Drug Administration (FDA), but the CARES expanded this to include testing under review by the FDA, developed and authorized by a State, or determined appropriate by HHS. This applies to in-network and out-of-network providers. The IRS issued guidance to clarify that HDHPs and accompanying HSAs will not lose their status even though no deductible must be met.

Although, group health plans cannot pass costs on to participants, providers can be reimbursed. The CARES introduced cost controls. In general, group health plans must pay any pre-emergency negotiated rates, but if there was not a negotiated rate, then the provider must publish a cash price.

This change, which affect both self-insured and fully-insured plans, will only remain in effect while there is a coronavirus public health emergency (scheduled to end June 16, 2020, unless extended).

### Preventative Services

Qualifying preventative services for the coronavirus must be provided to participants without any cost-sharing. Preventative services include any vaccines, immunizations or items or services intended to prevent or mitigate the virus . Group health plans will only have 15 days after the Center for Disease Control (CDC) approves the preventative service to cover it at no cost to participants. To date, we are not aware of any approved preventative services, but this change appears to be permanent.

Currently, these changes do not require coverage for any actual treatments for coronavirus patients. However, state law may require coverage.

You should review the terms of your plans to determine whether any amendments are required. Also, notices to participants should be provided.

## NON-ENFORCEMENT OF ADVANCE NOTICE

During the public health emergency, there will be no enforcement against plan sponsors who fail to provide the normal 60-day advance notice for material changes to the Summary of Benefits Coverage for these changes. However, participants must be notified as soon as reasonably practical.

## DELAYED FORM 5500 FILINGS

For any ERISA group health plans with at least 100 participants, the IRS recently announced an automatic extension for Forms 5500. If a Form 5500 is due between April 1 and July 15, 2020 (including dates due to a previously filed request for an extension), the Form 5500 is now due on July 15, 2020. This means that participants also have until July 15 to make 2019 HSA contributions.

**Caution:** Calendar year plans whose original return is due on July 31, 2020 are not eligible for this automatic extension. Currently, if an extension is needed a Form 5558 must be filed before July 31, 2020.

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Please contact our Flexible Spending/HSA Department for questions at [877.727.3539](tel:877.727.3539) or [flex@stanleybenefits.com](mailto:flex@stanleybenefits.com).

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## OUR MISSION

We will make every interaction a positive experience

Sincerely,  
The Team at Stanley Benefit Services, Inc.

Contact us to learn about our  
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