

**O.C.A. Benefit Services**  
Your Prescription to a Healthier Bottom Line



As we head into the 4th quarter of 2014 and quickly approach the 2015 year, we would like to make you aware of some important items listed below.

## O.C.A. News/Updates

### **O.C.A. Announces ERISA Compliance Service**

Effective 1/1/15, O.C.A.'s "ERISA Advantage" compliance service will become available for employers of any size! Our services will include: Wrap Plan Document and SPD, ERISA Compliance Assessments, Form 5500 Filing, Section 125 Premium Only Plan, Healthcare Reform/ERISA Notices, Non-Discrimination Testing, and COBRA Compliance Assessments.

### **The Healthier Employee Reimbursement Option (H.E.R.O.) has arrived!**

O.C.A. is very excited to announce the launch of the Healthier Employee

to boost member wellness engagement and give clients the flexibility they've been waiting for! Our incentive-based wellness program allows members to track selected wellness activities and earn points (HERO dollars). Those points can then be converted into contributions into account based benefit solutions, like a Health Reimbursement Arrangement. [Click here](#) for an illustration!

Click the HERO below to watch a quick video on it!

**We  
Make  
Wellness  
Fun**



## **O.C.A. and QualCare Management Resources Continue Strategic Partnership**

Under this partnership, O.C.A. will continue to provide integrated administration for HRA, FSA, and COBRA services. Unlike direct contracts with Third Party Administrators, the costs for these services have already been absorbed by The Affiliated Physicians and Employers Health Plan. Contact [sales@oca125.com](mailto:sales@oca125.com) for additional information.

## **2015 HRA & FSA Re-enrollment Process**

As 2015 quickly approaches - this means "Open Enrollment" time is here. As Employers are considering their benefit offerings for the upcoming calendar year, it is important to keep a few things in mind:

- Employers offering FSA - Employees must make new elections each year

either the "Grace-Period" or "Roll-Over" option.

- Employers offering HRA - Although Employees are automatically re-enrolled, it is important that any necessary changes to the HRA and/or the associated medical plan is communicated to O.C.A.

O.C.A. will be sending a communication shortly that is specific to this topic in more detail and providing the necessary deadlines Employers need to consider



to ensure a smooth transition into 2015.

## Federal News/Updates

### IRS Expands Election Changes Allowed Under Section 125 Cafeteria Plans

The IRS has expanded the permitted election changes for health coverage under a Section 125 Cafeteria Plan. Effective immediately, IRS Notice 2014-55 allows a participant to revoke his election during a period of coverage if:

- His hours of service are reduced so that he is expected to average less than 30 hours of service per week, but remains eligible for coverage under the employer's group health plan; or,
- He would like to cease coverage under the group health plan in order to purchase coverage through a competitive Marketplace established by the Affordable Care Act (ACA).

Under no circumstances may a participant elect to revoke coverage on a retroactive basis. The IRS guidance requires a cafeteria plan amendment to allow the additional election changes. The amendment must be adopted on or before the last day of the plan year, in which the elections are allowed, can be made retroactive to the first day of the plan year, and must be publicized to participants. Also, a cafeteria plan may be amended to adopt the election changes for a plan year that begins in 2014 at any time on or before the last day of the plan year that begins in 2015. To view IRS Notice 2014-55 in its

**O.C.A. will amend an employer's cafeteria plan by request only.**

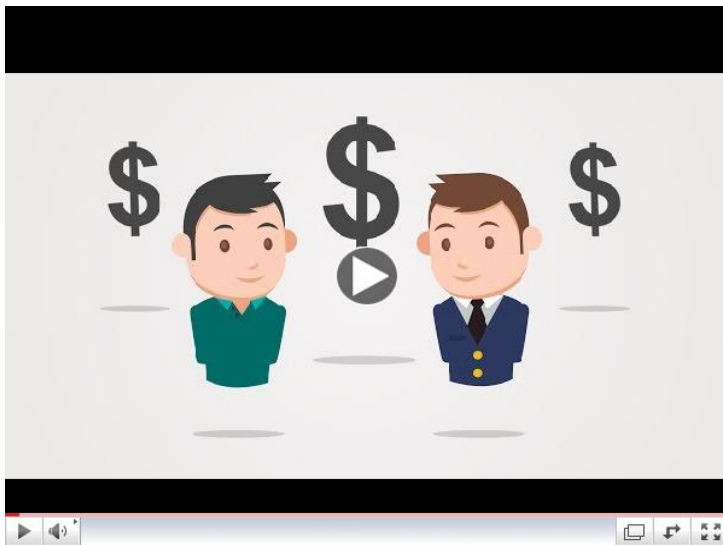
If the employer wishes to amend the plan at the plan renewal, no additional amendment fee will apply. If the group wishes to amend the cafeteria plan during the plan year, O.C.A. will assess a \$100 amendment fee.

## **Health Plan Identifier (HPID)...What is it? Does an HRA require one?**

One of the many goals of PPACA is to improve on the electronic exchange of data and an underlying requirement of exchanging data is standardization of that data through standard formats, code sets, and stakeholder identifiers. With that, we introduce to you the Health Plan Identifier (HPID). The Health Plan Identifier (HPID) is a standard identifier that was required by the original HIPAA in 1996. The intent of the HPID is to provide consistency and a standard format for insurers and health plans to identify themselves. The final rule for the HPID implementation was published in September 2012. In the final ruling, it requires health plans to obtain an HPID. Being that by definition an HRA is a health plan, O.C.A. was concerned that employers would be required to obtain an HPID for their HRA. **Well good news!** CMS provided clarification last week that an HRA that is linked to a fully-insured medical plan does NOT need to obtain an HPID as these "linked HRAs" are more like additional plan benefits than stand-alone plans. To view the CMS recently added FAQ on the HPID, [click here](#).

## **FSA Medical \$500 Rollover Option**

IRS guidance issued in October 2013 allows health FSAs to offer carryovers of unused balances of up to \$500 remaining at the end of a plan year, to be used for qualified medical expenses incurred in subsequent plan years. Offering health FSA carryovers is optional and is an alternative to offering a health FSA grace period (health FSAs allowing carryovers from a plan year cannot also have a grace period with respect to that year). This exception to the use-or-lose rule offers the potential to reduce health FSA forfeitures, which may encourage more employees to participate in health FSAs. It may also ease the year-end spending rush that occurs under many health FSAs.



FSA Carryover Video

## 2015 HSA Annual Contribution Limits

The Internal Revenue Service announced higher limits for 2015 on contributions to health savings accounts (HSAs). Effective 1/1/15, the HSA annual contribution limit increases to \$3,350 (single) and \$6,650 (family). The HSA catch-up contributions for account holders age 55 or older remains at \$1,000.

Best,

*The Staff at O.C.A.*

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