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Healthcare Update

New Regulations Make Drastic Changes to HRA Rules!

Earlier this week, the tri agencies (DOL, Treasury, and HHS) published much anticipated proposed regulations regarding HRAs. The proposed regulations would make drastic changes to the rules currently applicable to HRAs offered to active employees. Under the proposed regulations, employers will be once again able to establish HRAs for active employees that reimburse the employee's premiums for major medical insurance purchased in the individual market, subject to certain conditions. In addition, employers will be able to set up non-integrated HRAs, that reimburse an employee's general medical expenses subject to certain conditions. The following is a brief summary of the new proposed rules.

More details will follow after we have digested the rules. In the meantime, if you wish to see a copy of the regulations please click [here](#).

QSEHRA (or Premium Reimbursement HRAs) rules were expanded to any size employer.

An employer **of any size** may now establish an HRA that reimburses the employee's premiums for major medical insurance purchased in the individual market (including the Exchange) provided that the all of requirements are satisfied. To read more on the requirements and much more, [please click here](#).

Non-integrated HRA's are back in business.

An employer may also offer to employees who are not offered a premium reimbursement HRA a non-integrated HRA that reimburses general medical expenses, COBRA or other continuation coverage premiums, and excepted benefits (including excepted benefit premiums). Such an HRA is permissible, and will qualify as an excepted benefit, subject to the required conditions. To read more about this, [please click here](#).

When does this go into effect?

The proposed regulations are not effective for plan years that begin before January 1, 2019 and they may not be relied on until then. The HRA regulation is a product of an Executive Order issued by President Trump to the agencies to make issue guidance making HRAs more flexible.

As always, should you have any questions or need any additional information, please don't hesitate to contact your OCA sales representative.

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