

# BENEFITS

August 2019

## EXECUTIVE ORDER ON HEALTH COSTS TO AFFECT EMPLOYER HEALTH PLANS

President Donald Trump recently signed an executive order aimed at improving price and quality transparency in health care. The order is intended to increase availability of health care price and quality information and protect patients from surprise medical bills.

### What's in the Order?

Specifically, the order is aimed at:

- Eliminating unnecessary barriers to price and quality transparency
- Increasing the availability of meaningful price and quality information for patients
- Enhancing patients' control over their own health care resources, including through tax-preferred medical accounts
- Protecting patients from surprise medical bills

### Employer Impact

Within 120 days, the order directs the Treasury to issue guidance to expand access to high-deductible health plans.

Additionally, the order directs the Treasury to propose regulations within 180 days to:

- Treat expenses related to certain types of arrangements—potentially including direct primary care arrangements and health care sharing ministries—as eligible medical expenses
- Increase the amount of funds that can carry over without penalty at the end of the year for flexible spending accounts

To learn more about how this order might affect you, speak with us today.

## FINAL RULE EXPANDS OPTIONS FOR HRAS

Health officials issued a final rule that expands the usability of health reimbursement arrangements (HRAs).

Effective in 2020, the final rule establishes two new types of HRAs:

### Individual Coverage HRA:

Allows employers to offer an HRA to be used to reimburse the cost of individual market premiums on a tax-preferred basis, subject to certain conditions, as an alternative to traditional group health plan coverage.

**Excepted Benefits HRA:** Allows 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.

Talk to us to learn more about the specifics of these new plan designs.

