



Compliance Corner

June 15, 2016

Health Care Reform

Agencies Propose Rules on Excepted Benefits, Short-Term Limited Duration Insurance, Lifetime and Annual Limits and Expatriate Plans

On June 10, 2016, the IRS, DOL and HHS jointly published proposed rules on several PPACA issues, including excepted benefits, short-term limited duration insurance, lifetime and annual limits and expatriate plans. The first two topics are meant to address certain plans that are exempt from HIPAA and PPACA, while the first three topics are meant to address general actions the government is taking to attempt marketplace risk pool and insurance rate stabilization. Finally, the expatriate topic is meant to implement certain aspects of the Expatriate Health Coverage Clarification Act (EHCCA), enacted in 2014.

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Announcements

PCOR Fee, Form 720 Filing Due July 31

PPACA imposes the PCOR fee on health plans to support clinical effectiveness research. The PCOR fee applies to plan years ending on or after Oct. 1, 2012, and before Oct. 1, 2019. The PCOR fee is due by July 31 of the calendar year following the close of the plan year.

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State Updates

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Congressional Research Service Publishes ACA Resources for Frequently Asked Questions

On May 25, 2016, the Congressional Research Service published a report listing various ACA resources. Although the document was created to assist congressional staffers in responding to questions from constituents, there are several resources that apply to employer plan sponsors. Specifically, there are links to documents that answer questions on the employer mandate, reporting requirements, employer penalties, wellness programs and genetic information, and small businesses. There is also information on various subjects that pertain to group health plans such as mental health parity, women's health care (preventive services and contraceptive mandate), Medicaid, Medicare and CHIP.

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CMS Issues REGTAP FAQs on SHOP Marketplace

On May 27, 2016, CMS posted three new frequently asked questions (FAQs) to the Registration for Technical Assistance Portal (REGTAP) related to the federally facilitated SHOP marketplace. The FAQs and information summarized below address issues that may be of interest to employers.

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IRS Releases Employer Shared Responsibility Provision Estimator

On June 1, 2016, the Taxpayer Advocate Service released a new tool, called the Employer Shared Responsibility Estimator (ESRP Estimator) to help

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FAQ

I am an applicable large employer who hires paid interns during the summer. For the first time we may hire a few unpaid interns. All of our interns work 30 hours or more per week. Are we required by PPACA to offer paid and unpaid interns medical benefits?

[Read the Answer »](#)

Reference

Commonly Used Acronyms

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employers understand the employer mandate and how it may apply to them. The Taxpayer Advocate Service is an independent organization within the IRS who advocates for taxpayers and ensures they understand their rights.

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IRS Health Care Tax Tip 2016-54: Five Facts about the Small Business Health Care Tax Credit

On June 1, 2016, the IRS released IRS Health Care Tax Tip 2016-54, which provides important facts about the small business health care tax credit.

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Federal Updates

IRS Provides Informal Guidance on Tax Treatment of Wellness Plan Rewards and Cafeteria Plan Reimbursements

On May 27, 2016, the IRS publically released the Office of Chief Counsel Advice 201622031 (CCA), which is dated Apr. 14, 2016. In the informal guidance, the IRS establishes that reimbursing premiums (whether originally paid through a cafeteria plan or not) that were paid to participate in a wellness program aren't excludable from an employee's gross income. Similarly, cash rewards for wellness program participation cannot be excluded from an employee's gross income. The CCA is consistent with our prior understanding of these types of programs.

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DOL Releases Checklist on Mental Health Parity Compliance for Non-Quantitative Treatment Limitations

On June 1, 2016, the DOL released an informal guide entitled “Warning Signs- Plan or Policy Non-Quantitative Treatment Limitations (NQTLs) that Require Additional Analysis to Determine Mental Health Parity Compliance.” As background, the MHPAEA requires group health plans and health insurance issuers to ensure that financial requirements and treatment limitations applied to mental health or substance use disorder (MH/SUD) benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical/surgical benefits.

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