FSA, HRA, HSA ACCOUNTS

How did the DOL Notice 2021-01 change timely filing requirements for HRA, HIA and FSA’s? New 3/26/2021

The DOL notice extended timely filing for HRA, FSA and HIA to the earlier of: (i) 1 year from the end of the plan year plus their existing timely filing limit, or (ii) 60 days after the announced end of the National Emergency (the end of the Outbreak Period), plus any remaining time under their plan.

This does not apply to dependent care FSAs since a dependent care FSA is not an ERISA plan.

No action needed —Active HRA & HCFSA impacted plans to reflect a timely filing of 455 days (365 days plus 90-day timely filing).

What temporary changes for FSA did the Appropriations Act, signed on 12/27/2020, allow customer to opt-in to? Update 2/2/2021

These temporary changes for both health and dependent care are optional for all employers. Employers may select to implement one or a combination of any they choose. None are mandates.

- **FSA Rollovers.** The Act allows health and dependent care FSA participants to carry over unused balances from a plan year ending in 2020 to a plan year ending in 2021 and from a plan year ending in 2021 to plan year ending in 2022.

- **FSA Grace Period Extension.** The Act allows a health and dependent care FSA grace period for a plan year ending in 2020 or 2021 to be extended 12 months after the end of such plan year.

- **Health FSA Reimbursements.** The Act permits a health FSA to allow an employee who ceases participation in the plan during 2020 or 2021 (for example, due to termination of employment) to continue to receive reimbursements from unused balances through the end of the plan year in which such participation ceased (including any grace period).

- **Dependent Care FSA Participation.** The Act permits dependent care FSA participants whose qualifying child turned age 13 during the pandemic to continue to receive reimbursements for such child’s dependent care expenses for (1) the remainder of the plan year and, (2) to the extent a balance remains at the end of the plan year, the following plan...
year until the child turns age 14 (but only with respect to the unused amount). The plan year described in (1) must have had a regular enrollment period that was on or before January 31, 2020.

- **FSA Election Changes.** The Act permits health and dependent care FSA election changes for plan years ending in 2021, regardless of whether the employee has a permitted election change event. This extends the election change relief for FSAs provided in IRS Notice 2020-29 by one year.

- Amendments need to be adopted by the last day of the year after the plan year in which the amendment is effective. 2020 carryover amendments need to be made by December 31, 2021.

How will UHC administer the options available? **New 1/14/2021**

- Amounts that are unused in 2020 may be carried over to 2021 and amounts that are unused in 2021 may be carried over into 2022: UHC will allow all unused amounts remaining in the 2020 (or 2021) plan year for carryover, regardless of how it was applied. Unused amounts from any plan year prior to 2020 will not be included. Any other request will require internal review.

- Health and dependent care FSA grace periods for plan years ending in 2020 and/or 2021 may be extended until 12 months after the end of the plan year: UHC will extend the Grace Period for the customer.

- Plan participants who cease participation in the plan during 2020 and/or 2021 (terminated participants) may continue to be reimbursed if they have unused amounts in their health and/or dependent care FSA. Like dependent care FSA, term members could incur claims after termination and spend remaining balances down.

- Plan participants will be permitted to make prospective changes to their health and/or dependent care FSAs during 2021 (without regard to change in status): We will manage those choices via our standard eligibility process.

- Reimbursement of expenses under a dependent care FSA for dependents who aged out during the COVID-19 pandemic. This will allow reimbursement for children who turned 13 on or after March 1, 2020 (which is the start of the pandemic) until the end of the pandemic.

If a customer were to implement the carryover rule for 2020 or 2020 & 2021, what are the implications when a participant moved to a qualified high deductible health plan (HSA plan)? **1/14/2021**

If a customer allows the full carryover of unused 2020 funds (or 2021 funds) or elects the full 12-month Grace Period, then any member who may have moved to a qualified HDHP will be impacted. Both options allow members to incur claims and use their FSA funds. This is considered 1st dollar coverage under the HDHP. If a member already elected a limited FSA, we can move remaining balances to that limited FSA upon request. A decision will need to be made to communicate the impact to HSA members who did not already elect a limited FSA for 2021 or in 2022.

UNITEDHEALTHCARE PROPRIETARY AND CONFIDENTIAL

UnitedHealthcare’s presentation materials and responses to your questions are intended to provide general information and assistance during this national emergency and do not constitute medical, legal or tax advice. Please contact your medical, legal and tax advisors on how to respond to this situation. The materials and discussion topics do not constitute a binding obligation of UnitedHealthcare with respect to any matter discussed herein. Please note, in addition to federal law, states may have additional or differing requirements. Some of our products and networks have different features and as a result different guidelines and protocols are applicable to them. Please contact your UnitedHealthcare account representative for additional details. Last updated 3/8/22
Will plan documents need to be updated to allow for these changes? New 1/14/21

Yes. Amendments need to be adopted by the last day of the year after the plan year in which the amendment is effective. 2020 carryover amendments need to be made by December 31, 2021.

What did the final rule, which came out on May 4, 2020, require for FSA and HRA/HIA plans? Update 1/13/21

The DOL and IRS final rule extended timely filing for HRA and FSA until 60 days past the declared end of the President’s federal Covid-19 Emergency period. The final rule calls this the Outbreak Period (Covid-19 President’s declared emergency period plus 60 days).

This is a mandatory change for fully insured and self-funded ERISA plans that will allow members to continue to submit expenses incurred in 2019 or 2020 through the end of the Outbreak Period. This applies to HRA/HIA and health FSA’s. This applies to all plans with runout in effect on or after March 1, 2020. If the end of the pandemic is declared by the President, the timely filing deadline will be 60 days from that date for any plan year impacted by the final rule. Reminder, this also includes plans ending 12/31/20 who renewed for 1/1/21.

This does not apply to dependent care FSAs since a dependent care FSA is not an ERISA plan.

Will the Joint Rule apply to only those customers with timely filing ending on or after 3/1/2020? New 5/24/20

Yes. The Final Rule prohibits plans from counting the time between March 1, 2020 (the date of the COVID-19 National Emergency announcement) and sixty (60) days following the end of the Emergency (“the Outbreak Period”).

Examples:

- Plan year ending 12/31/2019 and 90-day timely filing in place (ending 3/31/2020) — what is the expected action? Extend timely filing.
- Plan year ending 12/31/2019 and 30-day timely filing (ending Jan 30th, 2020) — what is the expected action? Do not extend timely filing.
- Plan year ending 11/30/2019 and 90-day timely filing in place (ending Feb 29) — what is the expected action? Do not extend timely filing.
- Plan year ending 10/30/2019 and 90-day timely filing in place (ending Jan 30) — what is the expected action? Do not extend timely filing.
- Plan year ending 6/30/2020 and 90-day timely filing (ending Sept 30th, 2020) — what is the expected outcome? If emergency is not over, extend timely filing.

UNITEDHEALTHCARE PROPRIETARY AND CONFIDENTIAL
UnitedHealthcare’s presentation materials and responses to your questions are intended to provide general information and assistance during this national emergency and do not constitute medical, legal or tax advice. Please contact your medical, legal and tax advisors on how to respond to this situation. The materials and discussion topics do not constitute a binding obligation of UnitedHealthcare with respect to any matter discussed herein. Please note, in addition to federal law, states may have additional or differing requirements. Some of our products and networks have different features and as a result different guidelines and protocols are applicable to them. Please contact your UnitedHealthcare account representative for additional details. Last updated 3/8/22
If a customer TERMED on 12/31/2019 or after and did not renew for 2020 what is the expected outcome for timely filing when UHC maintained runout period? Update 1/13/21

UnitedHealthcare will not extend timely filing for termed UnitedHealthcare cases. Final balance reports were provided after their existing timely filing ended, and customers should check with their current administrator on their approach to this mandate or contact their UnitedHealthcare representative with questions.

What types of financial accounts are covered under the Joint Statement? New 5/24/20

FSA, HRA and HIA (HRA incentive only funding). RRA’s typically do not have a runout.

Will Dependent Care now allow for reimbursement of online or virtual camps? New 8/11/20

No. There has been no change to the definition of dependent care or related eligible expenses that would allow online or virtual camps to be reimbursed.

Can UnitedHealthcare extend timely filing deadlines for FSA? Update 6/16/20

A customer may change that today. All plan documents would need to be updated. Recent guidance does expand this for the Outbreak Period as noted below. Effective March 1, 2020 and through the end of a yet-to-be determined “Outbreak Period” (generally 60 days after the end of the COVID-19 national emergency), any deadlines for filing health care FSA claims and appeals are suspended.

This is a mandatory change for fully insured and self-funded ERISA plans that will allow members to continue to submit expenses incurred in 2019 through the end of the Outbreak Period. This applies to HRA/HIA and health FSA’s. This applies to runout in effect on or after March 1, 2020.

This does not apply to dependent care FSAs since a dependent care FSA is not an ERISA plan.

No action needed — Active HRA & HCFSA impacted plans to be updated by 6/12/20.

Did the CARES Act change the requirement for prescriptions for over the counter (OTC) medications? Update 3/8/22

Yes. The CARES ACT (COVID Stimulus Bill) permanently reinstates coverage of over the counter (OTC) drugs and medicines as eligible for reimbursement from FSAs, HRAs, HSAs, and Archer MSAs without need for a prescription.

It further expanded the definition of qualified reimbursable items to include menstrual care products. This will apply automatically to any account type that currently covers OTC. UnitedHealthcare will
not change eligible expenses to those accounts not currently covering OTC, such as an HRA that only pays expenses that a medical plan would cover.

This change is effective for expenses incurred on or after January 1, 2020. Healthcare Spending Card may be used to pay for OTC without a prescription.

**What happens of the spending card does not work on the OTC purchases? Update 5/20/20**

A member may use the accounts to purchase the products. Members should first try to use the card as they normally would to make the purchase. If the sale does not process, the person may pay out of pocket and then reimburse themselves with their account funds. Keep the itemized receipts, which are needed to verify the purchases so they can be reimbursed.

To search for qualified medical expenses, go to FSAsstore.com.

Reminder for HSAs, the debit card may be used as it normally is since no claim reimbursement process is required. As always, the receipts should be kept for tax purposes.

**Can High-deductible health plans (HDHPs) with an HSA provide pre-deductible coverage for telehealth or Virtual Visits? Update 5/29**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allowed HSA qualified high deductible health plans to cover telehealth services for any condition before the deductible is met. Change is effective for plan years on or before 12/31/2021. This relief should also apply to Virtual Visits.

Therefore, pursuant to this law, High Deductible Health Plans (HDHPs) may provide pre-deductible coverage for telehealth and other remote care services without impacting an individual’s ability to contribute to his/her HSA. This provision will last until December 31, 2021. The plan year must begin prior to this date.