

Heard on the Net

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Implications of Drug Pricing Reform in the Inflation Reduction Act, Part 1 - "The IRA will add to a complex American drug pricing system that entails intricate price metrics, discounts, and rebates across different payers. Consequently, like previous drug pricing legislation, the IRA will probably have important unintended consequences.... This article explores likely consequences in areas related to prices and include an appendix with an example of how drug manufacturers might react to the provisions of the IRA to minimize revenue loss."

Implications of Drug Pricing Reform in the Inflation Reduction Act, Part 2 - "Manufacturers likely will take a variety of steps in and out of Medicare to mitigate the impact of the law on their net revenues.... One important area is likely to be altered pricing and rebating practices in the Medicare and commercial drug markets, especially where the new IRA pricing benchmarks do not account for payer and pharmacy benefit manager (PBM) rebates (This article describes] likely impacts of the IRA on rebates as well as other potential impacts of the new law.

Telehealth Extension Provide Flexibility for HDHPs and HSAs, But Be Wary of Gap for Non-Calendar Year Plans - "For members who made contributions in the gap months when they should not have ... but are otherwise HSA-eligible on Dec. 1, there's a quirky rule that arguably comes to the rescue.... This rule arguably, at least as a practical matter, solves the 'gap problem' for those HDHP enrollees under a non-calendar year plan who can take advantage of it."

Maximum Annual Limitation on Cost Sharing, and Required Contribution Percentage for the 2024 Benefit Year (PDF) - "The 2024 maximum annual limitation on cost sharing is \$9,450 for self-only coverage and \$18,900 for other than self-only coverage. This represents an approximately 3.8 percent increase above the 2023 parameters ... The 2024 required contribution percentage under section 5000A of the Code will be 7.97 percent, ... a decrease of approximately 0.20 percentage points from 2022."

Cigna's PBM Latest to Put Less Pricey Biosimilars of Humira on Preferred Drug List - "Cigna pharmacy and Express Scripts will join UnitedHealth Group's OptumRx in moves next year that will create competition from less expensive biosimilars and bring potential cost savings to the U.S. healthcare system. Because Humira is so expensive at more than \$50,000 a year per patient, Cigna's decision means potentially thousands of patients could be shifted in 2023 to cheaper alternatives and save Cigna and Express Scripts clients and the U.S. healthcare system potentially billions of dollars a year."

Patients Could Feel Pinch as Health Plans Seek to Offload Pricey Prescription Costs - "Two versions of the new strategy are in play.... In one approach, insurers or employers continue to cover the drugs but designate them as 'nonessential,' which allows the health plans to bypass annual limits set by the [ACA] on how much patients can pay in out-of-pocket costs for drugs.... In the other approach, employers ... simply drop coverage for specific drugs or classes of drugs. Then, the outside vendor helps patients provide the financial and other information needed to apply for free medication from drugmakers through charity programs intended for uninsured patients."

Be Prepared for ACA Filing - "Know your dates ... Verify your ACA data is accurate ... Review ACA compliance ... Lookout for subsidy notices ... Get ready for internal audits ... Send 1095-C forms to employees ... Send ACA files to the IRS ... Send state individual mandate files."

ACA Reporting Deadlines and Compliance Requirements in 2023 - "The new final regulations ensure that the automatic 30-day extension will again be available for this year's ACA reporting at the start of 2023 -- as well as all future years of ACA reporting.... The IRS has also **proposed regulations** that would reduce the required electronic filing threshold to employers filing just 10 or more returns. That reduced 10-return electronic filing threshold has not been finalized and therefore is not currently being enforced."

Extension of Time to Furnish Individual ACA Statements Made Permanent - "With respect to individuals covered under an insured plan, the insurance carrier only needs to make the individual's Form 1095-B available, rather than furnishing the form automatically, provided certain requirements were met. Self-insured employers are allowed the same accommodation with respect to furnishing Forms 1095-C, but only with respect to individuals who had coverage under the self-funded plan during the reporting year but were not ACA full-time employees at any point during that year."

IRS Finalizes Permanent Extension of ACA Reporting Deadlines - "Under previous good-faith reporting relief, the IRS generally did not impose penalties for incomplete or inaccurate forms when the reporting entity could show that it 'made good-faith efforts to comply with the information-reporting requirements.' However, in the final regulations, the IRS confirmed that this good-faith reporting relief is no longer available."

Upcoming Key Compliance Deadlines and Reminders for First Quarter 2023 - "The first quarter presents several action items employers need to know; some are the same from year-to-year, and some are newer compliance issues related to transparency requirements."

IRS Grants Permanent Extension of the ACA Reporting Deadline - "The Final Regulations provide that employers have an automatic extension of time, not to exceed 30 days after January 31, in which to furnish Form 1095-C to individuals.... For part-time employees and non-employees enrolled in a self-funded health plan, the Final Regulations provide that ALEs may use an alternative (and less onerous) manner of furnishing statements.... The Final Regulations confirm that the transitional good faith relief from penalties was eliminated for calendar years after 2020 and is no longer appropriate."

2023 COBRA Guide for Employers (PDF) - 68 pages. "A full summary of the COBRA basics from qualifying events, elections and payment, to coverage options. Deep dive on persistent issues such as COBRA subsidies, M&A, Medicare, and domestic partners. A practical insight into the best practice approaches and strategies for employers who largely delegate day-to-day operations to a COBRA TPA."

2023 Guide to Fringe Benefits for Employers (PDF) - 60 pages. "Understanding supplemental-type benefits designed to recruit and retain employees beyond the standard H&W offerings. Covers fringe benefits (specialty HRAs, LSAs, commuter, education/student loan, adoption benefits) that add tremendous value. Reviews many potential compliance pitfalls that many have not considered."

2023 Guide: Health Benefits While on Leave (PDF) - "The rules that apply to maintaining health coverage during FMLA and other state-protected leaves. How employers can and often do address the desire to continue active coverage during a non-protected leave. Reminders of the tricky ACA employer mandate issues that commonly arise in the leave context."

Text of 2022 Instructions for IRS Forms 1094-B and 1095-B (PDF) - "Form 1095-B is used to report certain information to the IRS and to taxpayers about individuals who are covered by minimum essential coverage.... Every person that provides minimum essential coverage to an individual during a calendar year must file an information return reporting the coverage. Filers will use Form 1094-B (transmittal) to submit Forms 1095-B (returns)" [Also available: **2022 IRS Form 1094-B** and **2022 IRS Form 1095-B**.]

Text of 2022 Instructions for IRS Forms 1094-C and 1095-C (PDF) - "ALE Members that offer employer-sponsored, self-insured coverage also use Form 1095-C to report information to the IRS and to employees about individuals who have minimum essential coverage under the employer plan." [Also available: **2022 IRS Form 1094-C** and **2022 IRS Form 1095-C**]

ICHRA Guide for Employers: The Health Plan 401(k) Has Arrived (PDF) - 58 pages. "HRA integration with an individual policy unlocks a reservoir of potential ... Six crucial fast facts that highlight the comparison between ICHRAs and 401(k) plans ... Why both employers and employees may be clamoring for defined contribution health plan ... The Individual Market Then and Now: Why is this time different? ... How ACA employer mandate affordability still presents some significant concerns ... The top ten other remaining issues that ICHRAs face before mainstream adoption."

Text of 2022 IRS Form 8941: Credit for Small Employer Health Insurance Premiums (PDF) - "Did you pay premiums during your tax year for employee health insurance coverage you provided through a Small Business Health Options Program (SHOP) Marketplace (or do you qualify for an exception to this requirement)? ... See the instructions and complete these IRS Worksheets 1 through 7 as needed."

Guide to Correcting ACA Reporting Mistakes - "Common ACA reporting mistakes are described ... Forms 1095-C filed with incorrect dollar amounts on line 15, Employee Required Contribution, may fall under a safe harbor for certain de minimis errors.... You are not required to file corrected returns for missing or incorrect TINs if you meet the reasonable cause criteria.... If you have 300 Forms 1095-C to correct, they must be filed electronically."

2023 ACA Employer Mandate and ACA Reporting Guide (PDF) - 71 pages. "Covers the ACA employer mandate basics for ALEs to avoid potential penalties. Who qualifies as a full-time employee under the mandate and why it matters. Overview of the ACA reporting requirements for employe