

Reporting Relief for HRAs

The Centers for Medicare & Medicaid Services (CMS) released an [Alert](#) on September 27, 2011 that relieves many HRAs from the Medicare Secondary Reporting requirements, currently reported to CMS by Tri-Star. Coverage information currently reported to Third Party Administrators for a spouse and dependents of participants will no longer be required for some now excluded plans.

Effective October 3, 2011, the Alert raises the current threshold for reporting from plans with an annual benefit level of \$1,000 or more to those with \$5,000 or more. Funding deposit amounts rolled over from the previous year's coverage must be included when calculating the current year's annual benefit amount. This exemption for plans with annual benefit amounts of less than \$5,000 is in addition to plans already exempt from this requirement including retiree-only plans and plans reimbursing only ancillary benefits (e.g., restricted to only dental & vision expenses).

Secure File Transfers

Tri-Star recently added a new feature to the Employer HR Login that will allow users to securely upload files through the web site to our server. For those of you who have previously emailed your FSA and/or HRA enrollment or eligibility files to us, we ask that any future file be transferred to us using the File Upload option. Your files will be encrypted and secure during the upload process. Once a file is received, we will be notified and will take the necessary action to process your file in a timely manner.

To upload a file, simply log-in to our HR Login website and click on the "Upload a File" link and follow the instructions. We appreciate your cooperation in transitioning to this new procedure. Please note that clients currently sharing files through secure FTP will not be impacted by this new procedure.

\$2,500 Cap on Health Care FSAs

Health Care Reform imposes a \$2,500 limit on annual employee salary contributions to Health Care FSAs effective for taxable years beginning after December 31, 2012. The cap is a flat amount that applies to every participant and is not tiered for employees with families. However, if a husband and wife both participate in a Health Care FSA, they each could contribute up to \$2,500 or their plan limit, whichever is less.

This change does not affect the 2012 calendar year FSA plans but does have implications on plans with a plan effective date after January 1, 2012. Monitoring the cap on contributions in the 2013 calendar year would impact non-calendar year clients with contributions ending after December 31, 2012. To simplify administration, the plan sponsor may wish to change the cap in the FSA plan document for plan years beginning February 1, 2012.

Tri-Star will individually address this with clients as plans renew for the 2012-2013 plan years and can provide plan amendments as necessary to comply with these regulations.