

COMPLIANCE News to Know

News from August 19 - September 8, 2023 V2.14



PATRIOT
GROWTH INSURANCE SERVICES
COMPLIANCE ✓

Upcoming...

September 14 - Webinar - 1:30 - 2:15 EST - *Prepare for Pumpkin (Ope!) Open Enrollment Season* **Register Here**

September 30 - Summary Annual Report (SAR) Due to Plan participants for calendar year Plans.

October 15 - Deadline to notify Medicare Part D eligibles if Rx Drug coverage is creditable. **Model Notice** at CMS

October 16 - Electronic filing deadline for the 2.5 month extension to file the Form 5500 (if an extension was filed)

Save the Date - 3rd Friday each Month in 2024 - PGIS Benefits Watch!

Regulatory compliance, though traditionally slow-moving, saw an increase in legislation affecting all aspects of employer-sponsored welfare programming from 2020-2023. 2024 is likely to be a year we see audit and enforcement on those rules. The recent years' legislation overhauled benefits compliance regulations from federal through state levels, including updates to transparency in pricing, disclosure of fees, and strengthening of mental health and family leave benefits.

In the afternoon of the 3rd Friday of each month in 2024, Patriot's Employee Benefits Counsel, Olivia Ash, will host a 15 minute live call on compliance news affecting welfare plans. Be on the lookout this autumn for more details about the programming.



HHS Selects First 10 Drugs for Medicare Negotiations

Due to Biden-era legislation, Medicare will be able to negotiate prices directly with drug companies in the hopes of securing lower prices for costly drugs. HHS announced the first ten drugs on the negotiation table; updated pricing (if secured) will be effective beginning 2026. For a list of the ten drugs up for negotiation, [read the HHS press release](#).

Medicare Rx Payment Plan Part 1 Guidance

The Centers for Medicare and Medicaid (CMS) **released a guidance letter** (Draft Part One Guidance) outlining legislation to take effect January 1, 2025. All Medicare Part D sponsors will be required to provide Part D enrollees the option to pay Out-Of-Pocket (OOP) Rx costs in monthly installments over the course of the Plan year instead of paying these costs at the Point of Sale (POS). CMS is soliciting input on such topics as participant billing requirements, pharmacy payment obligations, disputes, and data submission requirements. The 56-page letter provides program calculations and examples as well as requirements for processes Plan D sponsors must implement.

Affordability Percentage Decreases for 2024

The IRS released [Rev. Proc. 2023-29](#) outlining the 2024 Required Contribution Percentage (RCP) for Group Health Plans (Plans) beginning calendar year 2024. The RCP for Plan Sponsors determines whether an employer-sponsored offer of Minimum Essential Coverage (MEC) under the ACA is “affordable.” For 2024, the RCP is 8.39%. This percentage adjustment accounts for rates of premium growth relative to rates of income growth based on HHS data.

Review the [Guide to Minimum Essential Coverage](#) from Health Reform Beyond the Basics to understand essentials such as MEC, Premium Tax Credits (PTC)s; and when PTCs apply based on the type of employer coverage offered.

DOL Extends Grace Period for New eFAST2 Login Credentials

If you submit Form 5500 via eFAST2 and do not yet have new Login.gov credentials, the DOL is extending the deadline to secure them until December 31, 2023. Review the [News Release](#) for details.

Education Assistance Program Funds May Cover Student Loan Payments

Employers with Educational Assistance Programs (EAPs) in place may use them to assist student loan obligations for employees. The option to use funds to pay for principal and interest on qualified education loans was added for payments made after May 27, 2020. Traditionally, EAPs used funds to cover books, equipment, supplies, fees, and tuition. The [IRS announced](#) a free, 75-minute webinar to review details September 14, 2023.