

IN THE KNOW

Bulletins for Benefits & HR Professionals



January 6, 2021

Relief Provided from Flexible Spending Account 'Use It or Lose It' Rule

"While many plans have already had annual enrollment for 2021 so that participants cannot change elections to address these new permissive carryovers, the Act also permits unused amounts from 2021 to be carried over to 2022. In addition, the Act permits employers to allow elections to be changed by participants during plan years ending in 2021 to alter the employee's contribution toward their 2021 health flexible spending account and dependent care flexible spending account." [Full Article](#)

Jackson Walker



Supreme Court: State Regs on PBM Reimbursements to Pharmacies Not Preempted by ERISA

"ERISA plans that utilize PBMs and have participants in Arkansas or other states with similar regulations may see price increases as PBMs are required to increase their reimbursement costs, which will presumably be passed along to plans. This could lead to ERISA plans paying significantly different drug costs depending upon the state in which the drugs were dispensed. More broadly, this decision has potential impacts for ERISA plans -- especially self-insured plans -- beyond PBMs. This decision also seems to leave room for substantial future litigation on whether purported 'cost regulations' effectively dictate plan choice." [Full Article](#)

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Thomson Reuters

New Stimulus Deal Brings Additional Health Care Cost Transparency Rules

“The transparency provisions of the stimulus bill prohibit so-called gag clauses in agreements between payors and providers that aim to prevent the disclosure of certain information. In particular, group health plans and health insurers may not enter into agreements with health care providers, third-party administrators, or managers of provider networks that would restrict the plan or the insurer's ability to access and share cost or quality of care information in certain circumstances. These rules are in addition to the transparency requirements set forth in regulations issued in November establishing disclosure requirements for group health plans and health insurers related to participant cost-sharing, in-network negotiated rates, historical out-of-network allowed amounts, and drug pricing information.” [Full Article](#)

Ballard Spahr LLP



Consolidated Appropriations Act Includes New Restrictions on Surprise Medical Bills



“Plans must include cost-sharing and contact information on any physical or electronic plan or insurance identification card issued to participants, beneficiaries, or enrollees. Plans must offer price comparison guidance by telephone and provide a price comparison tool on the website of the plan. Plans must establish a database and disclose on its website each provider and facility with which it has a contractual relationship for furnishing items or services, including contact information for each provider and facility.” [Full Article](#)

Sheppard Mullin

Regs Provide Cost-Sharing Change Flexibility for Grandfathered Health Plans

“Although the annual cost-of-living adjustment to the required minimum HDHP deductible has not yet exceeded the threshold that would cause loss of grandfathered status, grandfathered HDHPs will be able to increase their cost-sharing to meet a future minimum deductible adjustment without losing grandfathered status. The economic impact analysis included with the final regulations estimates that 400,000 firms sponsor ERISA-covered plans that are grandfathered or include a grandfathered benefit package option, and that these plans cover 19.1 million participants and beneficiaries.” [Full Article](#)

Thomson Reuters

