



legislativeUPDATE

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Family HRA Integration FAQs Issued

The Departments of Labor, Treasury, and Health and Human Services have issued additional guidance regarding the integration of health reimbursement accounts (HRAs) with group health plans. The publication, [FAQs About Affordable Care Act Implementation Part 37](#), found on the Centers for Medicare & Medicaid Services ([CMS](#)) website, is also available on the [DOL's](#) website.

Background – HRAs post ACA

As general background, the Affordable Care Act (ACA) introduced substantial changes to HRAs. To comply with requirements under the ACA, an HRA (with limited exception), must be integrated with a group health plan (GHP) that meets the ACA's market reform provisions including the preventive services mandate and the prohibition on annual and lifetime limits. Our Update, [Additional Guidance on Health Reimbursement Arrangements \("HRAs"\)](#), provides a comprehensive overview of the ACA's impact on HRAs. More recently, our Update, [21st Century Cures Act - Small Employer HRA Guidance](#), addresses qualified small employer HRAs (QSEHRAs) that may be offered by employers with less than 50 full-time equivalent employees. Note that the Part 37 FAQs do not apply to QSEHRAs and instead supplement previously issued guidance regarding the requirements to integrate certain HRAs (that are not QSEHRAs) with GHPs.

Family HRA Integration – Part 37 FAQs

The Part 37 FAQs do not offer any changes to the existing HRA integration rules; rather they clarify the circumstances under which a family HRA may be integrated with qualifying non-HRA GHP coverage (i.e., major medical group health coverage that complies with ACA market reform provisions) offered by a spouse's employer plan. The FAQs confirm the following:

- A family HRA offered by an individual's employer may be integrated with a qualifying non-HRA GHP (that meets all ACA market reform provisions and integration requirements) offered by a spouse's employer, so long as both plans cover the same individuals. An employer may rely on the "reasonable representation" of an employee that all family members are covered by both plans and that the integration requirements are met. ("Reasonable representation" is not defined in the guidance, so it appears that employers may have to make a good faith interpretation when applying this rule.)
- The integration rules do not require that the HRA and the qualifying non-HRA GHP with which it is integrated is offered by the same plan sponsor, nor do the rules require that all of the individuals are covered under the same qualifying non-HRA GHP. What is clear in the guidance is that all of the individuals covered by the HRA must also be covered by a qualifying non-HRA GHP.

For example, assume Pam is enrolled in her employer's qualifying non-HRA GHP at an "employee-only" coverage level. Pam's employer may also sponsor a family HRA covering Pam and her spouse (Jim) and their dependent child (Roy), so long as Jim and Roy are enrolled in Jim's employer's qualifying non-HRA GHP. In this case, Pam's family HRA is integrated with both her employer's qualifying non-HRA GHP and Jim's qualifying non-HRA GHP.

Should you have questions about these FAQs or any aspect of federal health insurance reform, please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



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