



CMS HRA Medicare Secondary Payer Reporting Update – September 29, 2011

We are delighted to announce that a change was approved by CMS regarding Medicare Secondary Payer Reporting for Health Reimbursement Arrangements (HRAs). Our tax-advantaged benefit plan partners in Washington DC, the Employers Council on Flexible Compensation (ECFC), have been working hard on our behalf and have finally had some success in accomplishing a more practical reporting approach.

WONDERFUL NEWS!

The alert related to this should be posted on the CMS website, however, if it isn't you can access the bulletin by [clicking here](#). In it, CMS indicates that new Health Reimbursement Arrangements (HRA) with an effective date on or after October 3, 2011 will not have to provide the electronic quarterly Medicare Secondary Payer Reports if the maximum annual reimbursement per participant is less than \$5000 per year. Existing HRA plans will not have to report after the end of their current plan year, with end dates of October 3rd or later (basically, November plan year renewals). This is great news for everyone who currently offers an HRA Plan.

Also, any newly benefit-eligible participants with effective dates on or after October 3rd do not need to be reported – even for current existing plan years. Participants already in the HRA plan do need to be reported until the end of the current plan year.

FlexMagic Consulting will continue to provide reporting for our HRA clients through the end of their current plan years, as required. We will stop providing the reports on HRA plans with limits of less than \$5,000 with HRA renewals effective November 1, 2011 and later, as allowed under the revised rules. HRA plans that still require reporting (due to higher limits) may want to consider revising their plan designs to pay less than \$5,000 per year to reduce the administrative burden of collecting data from participants and providing the data for the quarterly electronic reports.

Perhaps we are starting to see some sanity in Washington DC after all.....

Questions? Give us a call at 303-649-1922 or 800-888-9084.
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