



CMS REPORTING REQUIREMENTS MODIFIED

September 28, 2011

Centers for Medicare & Medicaid Services ("CMS") posted to the CMS Section 111 Mandatory Insurance Reporting website an alert that liberalizes CMS's previous position regarding Health Reimbursement Arrangement (HRA) reporting. Listed below are the changes to the HRA reporting process:

- * **Change to Annual Benefit Level Reporting Threshold:** Effective October 3, 2011, only HRA coverage that reflects an annual benefit level of \$5,000 or more will be reported. HRAs of an annual benefit amount of less than \$5,000 are exempt from reporting. Funding deposit amounts rolled over from the previous year's coverage must be included when calculating the current year's annual benefit amount.
- * The new \$5,000 Annual Benefit Reporting Threshold applies to all new or renewing HRA coverage which becomes effective on or after October 3, 2011. RREs reporting existing coverage will continue to do so at the present threshold until the employer's HRA benefit period is renewed.
- * A notice of termination is to be submitted to the COBC when an HRA insured's HRA benefit coverage is exhausted and no additional funds will be added to the HRA for the remainder of the HRA's current benefit coverage term. Notice of the termination is to be provided to the COBC by including it in the RRE's next regularly scheduled MSP Input File submission. The RRE may also call the COBC Call Center, at 1-800-999-1118 (TTY/TDD: 1-800-318-8782), with notice of the termination.
- * This new requirement is effective immediately. The existing requirement that termination dates are to be submitted when the covered individual loses or cancels coverage remains in place.
- * This notice of termination requirement *replaces* language in Section 7.2.7 on Page 67 of Version 3.2 of the GHP User Guide which states that an RRE is not to submit a Termination Notice when the annual benefit value is exhausted, or only when coverage is not continued or not renewed in the subsequent year.
- * Once the GHP HRA benefit period is renewed, the RRE must submit a new add record on the MSP Input File for each Medicare beneficiary that is an Active Covered Individual and whose HRA annual benefit is \$5,000 or greater. The Effective Date (Field 10) should reflect the start date of the new coverage period.