



December, 2020

ACA Employer Reporting Requirements

The IRS recently released the final versions of Forms 1094 and 1095, including instructions, for 2019 calendar-year reporting. They remain largely unchanged from previous versions. The instructions have been updated to remove references to the individual shared responsibility penalties, which do not apply in 2019.

You can read the instructions and view the forms by clicking on the links below:

- <https://www.irs.gov/affordable-care-act/questions-and-answers-on-information-reporting-by-health-coverage-providers-section-6055>
- [Form 1094-B](#)
- [Form 1094-C](#)
- [Form 1095-B](#)
- [Form 1095-C](#)
- [B Form instructions](#)
- [C Form instructions](#)

As a reminder, individual statements are due annually by January 31. The IRS has extended this deadline to **March 2, 2021, for 2020** reporting only. IRS filing deadlines are **March 1, 2021**, for paper filings and **March 31, 2021**, for electronic filings.

W-2 Reporting

W-2s must be postmarked by **January 31, 2021** and are required to contain the aggregate cost of applicable employer-sponsored coverage.

PCORI Fee Announced for Plan Years Ending on or After October 1, 2020, and Before October 1, 2021

The IRS has released [Notice 2020-84](#), which sets the applicable PCORI fee for plan years ending between October 1, 2020 and September 30, 2021 at \$2.66 per covered life.

Under the ACA, most employer sponsors and insurers were required to pay PCORI fees until 2019 or 2020, as it only applied to plan years ending on or before September 30, 2019. However, the PCORI fee was extended to plan years ending on or before September 30, 2029 as part of the Further Consolidated Appropriations Act, 2020.

The fee must be paid on or before July 31st each year. The fees due by July 31, 2021 are for plan years ending in 2020 and are as follows:

Plan years ending between 10/31/19 and 9/30/20	\$2.54 per covered life
Plan years ending between 10/31/20 and 9/30/21	\$2.66 per covered life

Employers that sponsor self-insured group health plans must report and pay PCORI fees using the **second quarter** [IRS Form 720](#), Quarterly Federal Excise Tax Return.

HHS 2021 Health Plan 'Parameters' Raise Out-of-Pocket Maximums

The Internal Revenue Service released its 2021 Health Savings Account Inflation Adjustment limits. A comparison of the 2021 and 2020 limits are listed below. The ACA maximum out-of-pocket limits have also been adjusted. The ACA uses a different adjustment calculation than the IRS when setting HSA limits year over year.

		2021	2020	Change
HDHP Minimum Deductible	Individual	\$1,400	\$1,400	\$0
	Family	\$2,800	\$2,800	\$0
HDHP Out-of-Pocket Limits	Individual	\$7,000	\$6,900	+\$100
	Family	\$14,000	\$13,800	+\$200
ACA Out-of-Pocket Limits	Individual	\$8,550	\$8,150	+\$400
	Family	\$17,100	\$16,300	+\$800
HDHP Maximum Annual Contribution Limit	Individual	\$3,600	\$3,550	+\$50
	Family	\$7,200	\$7,100	+\$100
HSA Catchup Contribution		\$1,000	\$1,000	\$0

Final Rules Issued to Add Flexibility for Grandfathered Plans

The Departments of Labor, Health and Human Services and Treasury (collectively the Departments), have issued [final rules](#) to provide grandfathered health plans greater flexibility in retaining grandfathered status.

Regulations were proposed in July 2020 to amend the 2015 final rules to provide greater flexibility for grandfathered group health plans and issuers of grandfathered group health insurance coverage to make certain changes without causing a loss of grandfather status. Those proposed regulations included changes to:

- Enable eligible plans to continue offering affordable coverage while also enhancing their ability to respond to rising healthcare costs
- Permit group health plans to increase cost-sharing requirements for enrolled individuals as long as they do not exceed certain limits
- Allow, in some situations, plans to comply with minimum cost-sharing requirements for high deductible health plans (HDHPs) so enrolled individuals are eligible to contribute to health savings accounts (HSAs)

Proposed Changes for HIPAA Privacy Rules – Notice of Proposed Rule Making (NPRM)

On December 10, 2020, the Office of Civil Rights of the Department of Health and Human Services (OCR) announced proposed changes to the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule to support individuals' engagement in their care, remove barriers to coordinated care, and reduce regulatory burdens on the health care industry.

The proposed changes to the HIPAA Privacy Rule include strengthening individuals' rights to access their own health information, including:

- electronic information
- improving information sharing for care coordination and case management for individuals

- facilitating greater family and caregiver involvement in the care of individuals experiencing emergencies or health crises
- enhancing flexibilities for disclosures in emergency or threatening circumstances, such as the Opioid and COVID-19 public health emergencies
- reducing administrative burdens on HIPAA covered health care providers and health plans, while continuing to protect individuals' health information privacy interests.

The OCR encourages comments from all stakeholders, including patients and their families, HIPAA covered entities (health plans, health care clearinghouses, and most health care providers) and their business associates, consumer advocates, health care professional associations, health information management professionals, health information technology vendors, and government entities.

Public comments on the NPRM will be due 60 days after publication of the NPRM in the Federal Register (February 10, 2021). The NPRM may be viewed or downloaded from HHS's website at <https://www.hhs.gov/sites/default/files/hhs-ocr-hipaa-nprm.pdf> - PDF.