

## IRS Opens Discussion On Broadening The Use Of HRAs

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In October 2018, the Departments of Treasury, Labor, and Health and Human Services issued proposed regulations expanding the availability of Health Reimbursement Arrangements (HRAs) by eliminating a prohibition on integrating HRAs with individual health insurance coverage. However, the proposed regulations did not fully address how the rules would coordinate with the employer mandate under the Affordable Care Act (ACA) or nondiscrimination rules that apply to such self-insured health plans. The IRS began addressing those rules with Notice 2018-88, by officially and essentially initiating the discussion with interested parties and requesting comments.

The details of the Notice are outside the scope of this update, but the key takeaway is that the IRS is moving forward with President Trump's directive to propose guidance to increase the usability of HRAs, allow employers better access to HRAs, and to allow HRAs to be used in conjunction with non-group health plan coverage. And while Employers are not yet able to move forward with implementing such HRAs, there likely will be more guidance in this regard in 2019 for future implementation.

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