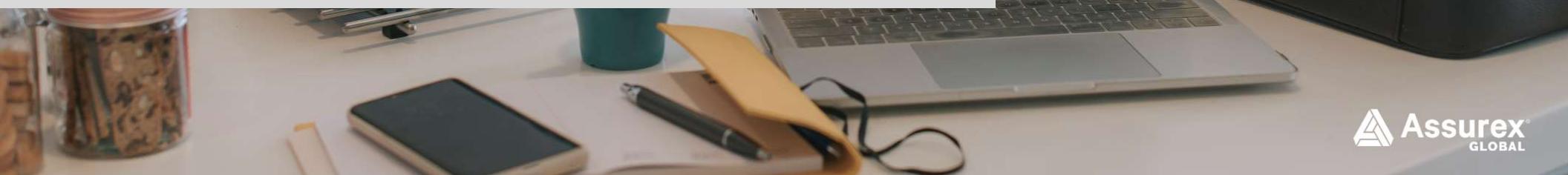


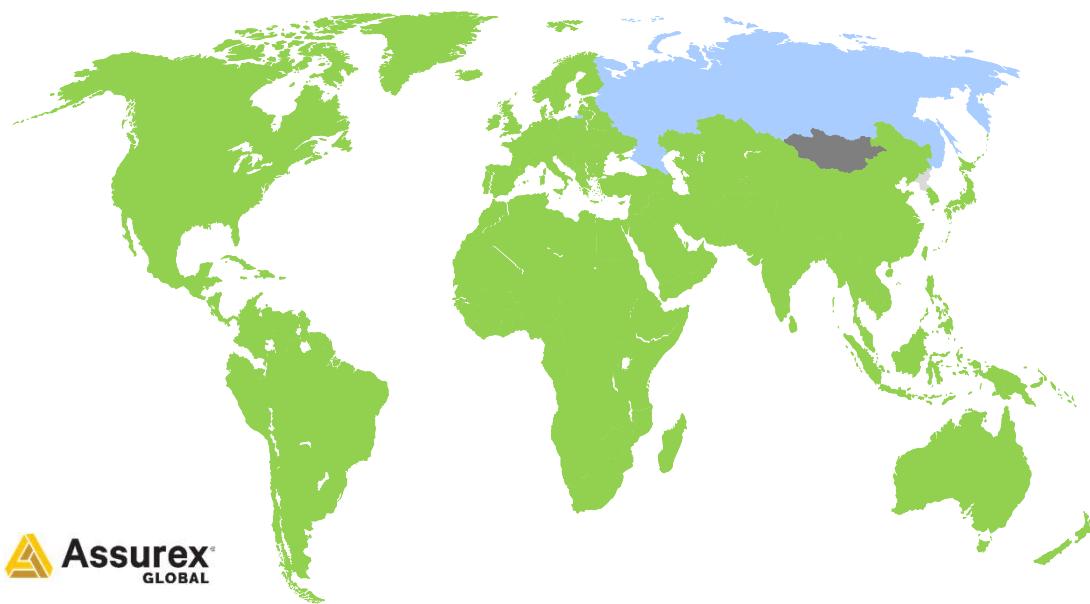
# Year-in-Review & Looking Ahead

Presented by Lumelight (formerly Benefit Comply)  
**December 2025**



## Thank you to the following Assurex Global Partners for sponsoring today's webinar

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█ = Assurex Global territories  
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# Agenda

## 2025 in Review

- One Big Beautiful Bill Act (OBBA)
- Affordable Care Act (ACA) Updates
- Wellness Program Litigation
- Creditable Coverage
- Mental Health Parity
- HIPAA Privacy & Security
- ERISA Fiduciary Duty Litigation

## 2026 Looking Ahead

- TrumpRx & Most-Favored Nation
- Individual Coverage HRA (ICHRA) Trends
- State Paid Family Medical Leave Updates
- 2026 Limits & Deadlines

# One Big Beautiful Bill Act (OBBA) Benefit Changes

# **OBBA – HSA Changes**

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## **Telehealth**

- Permanent safe harbor for HSA eligibility when telehealth is offered at reduced or no cost prior to deductible
- Effective for plan years beginning in 2025

## **Direct Primary Care (DPC)**

- DPC meeting certain requirements can be offered without affecting HSA-eligibility
- DPC fees can be paid from HSA
- Effective January 1, 2026

## **Marketplace Plans**

- Individual bronze and catastrophic plans sold on the exchange qualify as HDHP regardless of plan design

## OBBBA – Other Changes



### **Dependent Care Assistance Program (DCAP)**

Maximum annual exclusion increased to \$7,500 beginning in 2026 (not indexed for inflation)



### **Student Loan Payments**

Permanently allows employers to make tax free student loan reimbursement payments of \$5,250 per year beginning in 2026 (now indexed for inflation)



### **Transportation Benefits**

Permanently eliminates the tax exclusion for qualified bicycle commuting reimbursement (was already suspended)

# OBBBA – DCAP Changes

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## Annual (Calendar Year) Limits

- \$7,500 for single individuals/married filing jointly
- \$3,750 for married individuals filing separately
- Limited to earned income of individual if lower

## Important Considerations

- Effective Jan. 1, 2026
  - Non-calendar year plans can adjust as of Jan. 1, 2026 or wait until the 2026 plan renewal
- Increase is optional
  - Increased limits could make it harder to pass benefit discrimination testing

## OBBBA – Changes to Medicaid

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- Changes to Medicaid coverage and eligibility over the next several years (e.g., work requirements, more frequent eligibility redeterminations)
- May result in loss of eligibility for current Medicaid recipients
- Loss of Medicaid eligibility is a HIPAA special enrollment event for group health plans and special enrollment for Marketplace coverage

# Affordable Care Act (ACA) Updates

## Preventive Care

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- *Kennedy v. Braidwood Management, Inc.*
  - SCOTUS upheld ACA preventive care mandate and process by which required preventive care is selected
  - No changes – Non-grandfathered group health plans must provide preventive care without cost-sharing in accordance with applicable agency recommendations



## Preventive Care

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- Women's Preventive Care Changes for 2026
  - Additional screening and pathology exams following initial screening (e.g., mammograms, MRI, ultrasounds) must be covered as preventive beginning in 2026 based on change in recommendations that occurred in Dec. 2024
- Contraceptive Coverage
  - Court ruling vacated broader religious and moral exemption
  - Only the following exemptions remain:
    - Complete exemption for religious employers
    - An accommodation process under which the carrier or TPA provides the coverage instead for non-profit entities and closely held for-profit entities

## IRS §4980H Enforcement Efforts

- **Currently working on enforcement for 2023 reporting...**

### Letter 5699

- IRS reaches out to employers who have not submitted a Form 1094-C and Form 1095-Cs if they appear to be applicable large employers (50 or more FTEs) based on number of Form W-2s filed

### Letter 226J

- IRS proposes employer shared responsibility payments (ESRPs) based on self-reporting of §4980H compliance and subsidized Marketplace enrollment

# IRS §4980H Enforcement Efforts

## ▪ *Faulk v. Becerra*

- Employer filed complaint in June 2024 arguing no HHS Marketplace notification providing an opportunity to appeal for employees enrolled in subsidized Marketplace coverage
- HHS must certify to the employer that an employee has enrolled in a qualified health plan before the IRS can propose penalties; HHS delegated that responsibility to the IRS (Letter 226J)
- Court held that ACA authorizes HHS, not the IRS, to make certification and required that the employer be refunded the ESRP

**Federal Government has filed an appeal...**

Coverage and reporting requirements for applicable large employers are **unchanged**. Employers should continue offering coverage and submitting annual reporting to the IRS.

# Form 1095 Distribution

- **Distribution Options**

- Hand delivery, mail, electronically with consent or post notice of availability

- **Posting Notice of Availability**

- Post on public website accessible to all possible Form 1095 recipients
  - Include email, mailing address, and phone number to request a Form 1095
    - Must be posted by Mar. 2, 2026 and remain posted until Oct. 15, 2026
  - Form 1095 must be provided within 30 days of request

## SAMPLE – IMPORTANT HEALTH COVERAGE TAX DOCUMENTS

The 2025 Form 1095s are prepared and available upon request. Form 1095s provide information about offers of coverage made to full-time employees [as well as coverage information for those who enrolled in ABC Company's group health plan] – *only if the plan is level-funded or self-funded*. To request a copy of your Form 1095 or for further information about Form 1095s, you can reach out to \_\_\_\_\_ via \_\_\_\_\_ (must include an email address, physical mailing address, AND telephone number)

# Marketplace Changes

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## Final Rule – 2025 Marketplace Integrity & Affordability

- Shortens the Marketplace open enrollment window
- Increases eligibility verification and reconciliation for premium tax credits
- Adjusts the methodology used to set premiums
- Court temporarily blocked several provisions that would likely have affected coverage for individuals beginning in 2026

## Premium Tax Credits

- Expansion of the premium tax credits expires at the end of 2025. Without further legislation expanding the credits, many individuals may not qualify for premium tax credits or may qualify for lesser tax credits in 2026

# Wellness Program Litigation

# HIPAA Wellness Rules – Health-Contingent Programs

## AVAILABILITY

- All similarly situated individuals must have an opportunity to participate at least annually

## REASONABLE ALTERNATIVE STANDARD

- Must offer and disclose the availability of a reasonable alternative standard to those who cannot satisfy the original standard allowing them to earn the full incentive

## INCENTIVE LIMIT

- Incentive cannot exceed 30% of the cost of coverage (50% for tobacco-related incentives)

## Recent Litigation

- Flurry of recent lawsuits filed alleging tobacco surcharge programs violate HIPAA wellness plan rules
  - Whole Foods – Jan 2025
  - Compass Group USA – Apr 2025
  - Performance Food Group – May 2025
  - North American Lighting – June 2025
  - Travelers Companies – Jul 2025
  - GardaWorld Cash Service – Aug 2025
  - Sodexo – Aug 2025
  - Sedgwich Claims Management Services – Sept. 2025
  - United Surgical Partners International – Oct 2025
  - Bally's Management Group – Nov. 2025



### Review Tobacco Surcharge Program to Confirm:

- ✓ Reasonable alternative standard is available
- ✓ Notice of reasonable alternative standard is in all wellness-related materials
- ✓ Full reward is available upon satisfaction of the reasonable alternative standard

# Creditable Coverage Status

# Creditable Coverage Status

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- Medicare Part D-eligible individuals who delay enrollment will incur late penalties if they go 63 days or more without creditable Rx coverage
- Plans with Rx coverage must notify employees and CMS of creditable status
  - Not required to offer creditable coverage
- To determine creditable status:
  - Actuarial method
  - Simplified method (revised method available in 2026, but allowed to use existing method)

# Mental Health Parity

# Mental Health Parity & Addiction Equity Act (MHPAEA)

- Temporary Non-Enforcement of 2024 Final Rule
  - Plans do not have to comply with the following:
    - Fiduciary certification
    - Meaningful benefits requirement
    - Increased data collection requirements

## Still Required

- Parity for mental health and substance abuse disorder benefits for any financial requirements, quantitative treatment limitations (QTLs) or non-quantitative treatment limitations (NQTLs)
- Written comparative analysis for any plan NQTLs (must be provided if requested by agency or ERISA plan participants)

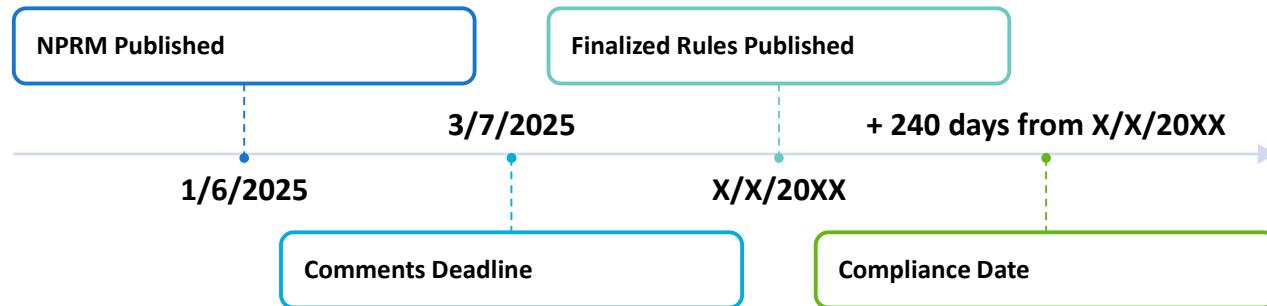
# HIPAA Privacy & Security

## 2024 Privacy Rule

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- April 2024 - Introduced a prohibited use/disclosure of PHI potentially related to reproductive health care (RHC)
- June 2025 - Mostly vacated by *Purl v. HHS*
  - Eliminated new prohibited use/disclosure of PHI potentially related to RHC
  - **Upheled updates to Notice of Privacy Practice (NPP)**
    - Comply by February 16, 2026
    - Expect an updated NPP model to be released
    - Distribution of NPP required within 60 days of any material changes

# Proposed Security Rule Changes



- Part of HHS' strategy to enhance cybersecurity in healthcare industry
- Elimination of “required” vs. “addressable” items (no longer optional)
- New requirements and specificity/rigidity for existing requirements:
  - Technology asset inventory and network map
  - Encryption for all ePHI
- For now, consider reviewing current security protocols while keeping an eye out for finalized rules

# ERISA Fiduciary Litigation

## ERISA Fiduciary Duties

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- Plan sponsors are fiduciaries and must perform their duties:
  - Solely in the interest of participants and beneficiaries
  - For the exclusive purpose of providing plan benefits or defraying reasonable expenses of plan administration
  - With care, skill, prudence and diligence of a prudent person
  - In accordance with governing documents
  
- Recent Litigation
  - *Lewandoski v. Johnson & Johnson; Navarro v. Wells Fargo & Co.*
    - Both included claims that fiduciary mishandled prescription drug coverage
    - Both dismissed due to lack of standing; plaintiffs failed to show addressable harm
  - *Stern v. JPMorgan Chase & Co.*
    - Claims of mishandling prescription coverage, and mismanaged PBM relationship

# ERISA Fiduciary Duties

## Possible Actions to Manage Fiduciary Liability

Create a benefits committee to meet regularly to discuss and approve and plan-related decisions

Improve the process of selecting and monitoring vendors/service providers

Perform a regular compliance assessment to identify and address any gaps or changes needed

Ensure participant contributions are appropriately collected and handled

Perform claims and dependent audits

Consider fiduciary liability insurance

# 2026 Looking Ahead

## TrumpRx & Most-Favored-Nation

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- Most-favored-nation – refers to the lowest prices paid for Rx in other countries
  - Pfizer agreed to offer its drugs to Medicaid at this price
- TrumpRx – Website that will help Americans buy Rx directly from manufacturers at discounted prices
- For insured individuals, TrumpRx would still likely be more expensive than their coverage provides and drugs purchased through TrumpRx would not count toward plan accumulators (deductibles, OOP maximum)

## Individual Coverage HRAs (ICHRA) Trends

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- HRAs that can reimburse employees' individual plan or Medicare premiums and qualifying medical expenses
- ICHRAs are self-funded group health plans
  - Cannot be offered to those offered a traditional group health plan
  - Must be offered uniformly within specified classes and meet class size rules
- According to the HRA Council's 2025 Growth Trends for ICHRA & QSEHRA Report, from 2024 to 2025, ICHRA adoption increased:
  - 34% for large employers (50+ EEs)
  - 52% for small employers (<50 EEs)

# State Paid Family Medical Leave Updates

- States continue to expand or adopt paid leave programs for a variety of reasons, including birth, caring for a family member, or an employee's own medical condition

## In Effect

- CA, CO, CN, Washington, D.C., MA, NJ, NY, OR, RI, WA

## Effective in 2026

- DE, ME, MN

## Effective in 2028

- MD

- 16 other states had PFML bills that did not pass this year

## 2026 Limits

Benefit/Requirement	2026 Limits
FSA Salary Reduction Contribution	\$3,400
FSA Employer Contribution	Matching (up to \$3,400) or \$500
FSA Carryover	\$680
DCAP Contribution	\$7,500
§132 Parking	\$340/month
§132 Transit Pass/Commuter Vehicle	\$340/month
HSA Self-Only Contribution	\$4,400
HSA Family Contribution	\$8,750
Minimum Self-Only HDHP Deductible	\$1,700
Minimum Family HDHP Deductible	\$3,400
Maximum Self-Only HDHP OOP Limit	\$8,500
Maximum Family HDHP OOP Limit	\$17,000

## 2026 Limits/Amounts

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Benefit/Requirement	2026 Limits/Amounts
QSEHRA Self-Only Maximum Benefit	\$6,450
QSEHRA Family Maximum Benefit	\$13,100
EBHRA Maximum Benefit	\$2,200
PCORI Fee - PYs Ending Jan-Sept 2025	\$3.47/covered life
PCORI Fee - PYs Ending Oct-Dec 2025	\$3.84/covered life
§4980H(a)	\$3,340/year (\$278.33/month)
§4980H(b)	\$5,010/year (\$417.50/month)
Affordability Percentage	9.96%

## 2026 Deadlines – Calendar Year Plan

Requirement	Deadline
Form 1095 Distribution or Notice of Availability Posting	March 2
Creditable Coverage Disclosure to CMS (for calendar year plans)	
E-file Forms 1094 and 1095	March 31
RxDC Reporting to CMS	June 1
PCORI Fee via Form 720	
Form 5500 Filing (for calendar year plans)	July 31
SAR Distribution (for calendar year plans)	
MLR Rebates Due to Employers	September 30
Medicare Part D Creditable/Non-Creditable Notice	Before October 15, or annually
Gag Clause Attestation to CMS	December 31



# Questions

# Webinar Wrap-Up

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**A link to the recording of today's session will be available early next week from the Assurex Global Partner Firm who invited you to today's event.**

## Assurex Global in Numbers



30k+  
Employees



100+  
Partner Firms



\$47B  
Annual  
Premium



\$5B  
Annual  
Revenue



730+  
Partner  
Offices



175  
Countries