

HEALTH BENEFITS E-NEWS

*Department of Human Resource
Management
Office of Health Benefits*

February 7, 2020

Mailing of IRS 1095 Forms to Health Plan Participants

IRS 1095 forms for 2019 required under the Affordable Care Act (ACA) were mailed to health plan participants on January 31, 2020.

The U.S. Postal Service will send returned 1095 forms to the mailing house for the DHRM Office of Health Benefits. The forms will then be forwarded to the appropriate agency Benefits Administrator. It is the responsibility of the Benefits Administrator to forward the returned forms to the intended recipient whenever possible. Returned 1095 forms that cannot be forwarded should be sent unopened to DHRM at the Office of Health Benefits, 101 N. 14th Street, 13th Floor, Richmond, VA 23219. Forms sent to DHRM should be packaged securely to ensure confidentiality of HIPAA-protected information.

If you are notified by an employee that their 1095 form was not received by the middle of February, please send a request to ohb@dhrm.virginia.gov for a duplicate form. The request should include the employee's name, BES ID and a current mailing address.

Note to Optima Health Members: For 2019, Optima Health mailed 1095 forms to Optima Health Vantage HMO members on January 30 which captured the period of July 2019 through December 2019. No action is required by members, and there is no issue in having multiple 1095 forms. The IRS 1095 form sent by DHRM captures the entire 2019 tax year.

Suggestions and Reminders on PayFlex

With the July 1 implementation of PayFlex as our new FSA administrator behind us, following are suggestions and reminders based on the implementation experience. We hope that these will be helpful as you receive questions from your employees. The Flexible Spending Account Sourcebook (see link below) has complete information.

<https://www.dhrm.virginia.gov/docs/default-source/benefitsdocuments/ohb/flexible-spending-account-sourcebook-2019.pdf?sfvrsn=0>

Auto-Adjudication for PayFlex Card Transactions:

- PayFlex receives claim files from Anthem, Aetna, and Delta which often allow them to accept PayFlex health FSA card transactions without needing any additional documentation. This applies to standard copayment amounts and coinsurance amounts where the out-of-pocket cost and date of service reported on the file matches the card transaction. However, if the amount or date of service doesn't match, you will be asked for additional documentation. If PayFlex requests additional documentation, you must provide it within the required timeframe to avoid the reclassification of your card transaction to taxable income and the suspension or declination of your card as required by the IRS. There were some initial file challenges during the implementation process, but they are now running smoothly and claims are being matched for auto-adjudication. Keep in mind that PayFlex typically auto-adjudicates over 90% of their card transactions!
- You can use your PayFlex card for covered medical expenses purchased from a merchant enrolled in the Inventory Information Approval System (IIAS). Your FSA Sourcebook has additional information.

Submitting Documentation:

- When submitting claims or required documentation, do not submit statements or explanations of benefits (EOBs) indicating that insurance is pending. Documentation must indicate that the claim has been processed and finally paid.
- Per IRS guidelines, for the FSA expense to be considered an eligible service it must be “rendered” or delivered. Using your card to place a deposit on future medical expenses does not meet the IRS criteria.
- Avoid submitting your PayFlex card information prior to the date of service since it can result in a date mismatch. Provide your card on the date that you receive the service.
- Ask your provider to hold the card transaction until the final determination of out-of-pocket expense is confirmed to avoid a mismatch in out-of-pocket cost.

COVA HealthAware Payments through the Aetna Member Website:

- COVA HealthAware participants can pay providers directly through the Aetna Member Website using their PayFlex Card (just as they can use any debit or credit card). Aetna partners with Change Healthcare to process these provider payments, therefore the debit/credit card payment transaction will indicate “CHANGE*AETNA PROVIDER” as the merchant. Like any other FSA card transaction, you may be asked for documentation to support this PayFlex card swipe.

Please do not reply to this e-mail. You may send inquiries to the Office of Health Benefits mailbox at ohb@dhrm.virginia.gov