

The Top 3 Compliance Questions About Telemedicine

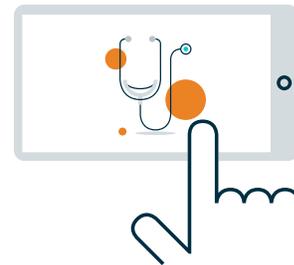
Telemedicine — medical services provided via phone or online — is one of the fastest growing trends in employee benefits. While telemedicine can make access to medical care faster, easier, and more affordable, employers should be aware of several key compliance caveats. Here are answers to three common compliance questions about telemedicine.

1. Are we required to offer COBRA on our telemedicine program?

COBRA applies to group health plans so the threshold question is whether the telemedicine program is a group health plan. There is no direct guidance on this topic, but analogies can be drawn to wellness programs and employee assistance programs (EAPs). If these plans provide medical benefits, they are treated as group health plans and subject to COBRA. The same assessment is likely applicable to your telemedicine program. Most telemedicine programs provide access to trained medical professionals and/or counselors and, therefore, provide medical care. As a result, they will generally be subject to COBRA.

2. Do I include the telemedicine program in our 5500 filing?

ERISA requires that certain group health plans file annual Form 5500, which includes information on the employer-sponsored group health plan and component benefits available under that plan. If you file a single 5500 where the component benefits constitute a single group health plan, the telemedicine program should be included in that filing, as well as your Wrap Summary Plan Description. Remember, many telemedicine programs provide medical benefits and are likely considered group health plans.



3. Does my telemedicine program impact my employees' Health Savings Account (HSA) eligibility?

In order to be HSA eligible, employees must have high deductible health plan (HDHP) coverage and cannot have any disqualifying, non-HDHP coverage. Certain types of coverage are explicitly allowed and will not affect HSA eligibility including preventive care programs and dental/vision coverage that qualifies as “excepted benefits.” Other types of coverage, including telemedicine, require a closer look to determine whether it is disqualifying. If the coverage provides medical care before the HDHP deductible has been satisfied, it’s generally disqualifying coverage for HSA purposes unless the fair market value of those services is charged to employees until the deductible is met.

In order to simplify these and other compliance concerns, the best practice is to provide the telemedicine services as an “additional layer” of coverage on the existing medical plan. This means that only participants who are enrolled in the medical plan have access to telemedicine coverage.

Telemedicine offers many benefits for your employees, but for employers the compliance nuances can be complicated. Alliant ensures you know the answers to the questions you don’t even know to ask.

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