

BENEFITS BUZZ

New Rule Requires Reporting of Medical and Prescription Drug Costs



On Nov. 17, 2021, federal agencies released an [interim final rule](#) requiring health plans and issuers to report information regarding the cost of prescription drugs and certain medical expenses. This rule is a continuation of the Biden administration's efforts to promote greater transparency in health care spending.

Overview of the Interim Final Rule

This rule requires plans and issuers in the group and individual markets to submit certain information on prescription drug and other health care spending to federal agencies annually, including:

- General information regarding the plan or coverage;
- Enrollment and premium information;
- Total health care spending by enrollees versus employers and issuers;
- The 50 most frequently dispensed brand prescription drugs, the 50 costliest prescription drugs by total annual spending and the 50 prescription drugs with the greatest increase in expenditures from the previous year;
- Prescription drug rebates, fees and other compensation paid to the plan or issuer; and
- The impact of prescription drug rebates, fees, and other compensation on premiums and out-of-pocket costs.

For 2020 and 2021 information, reporting must be submitted by Dec. 27, 2022, and by June 1 of each year thereafter. Starting in 2023, federal agencies will issue biennial public reports on prescription drug pricing trends as well as the impact of prescription drug costs on premiums and out-of-pocket costs.

Employee Benefit Plan Limits for 2022

Many employee benefits are subject to annual dollar limits that are periodically updated for inflation.

The IRS typically announces the dollar limits that will apply for the next calendar year well before the beginning of that year. This gives employers time to update their plan designs and ensure that their plan administration will be consistent with the new limits. Although most of the limits will increase for 2022, some of the limits remain the same.

Increased Limits

For plan years beginning on or after Jan. 1, 2022, the following limits have increased:

- Health savings account contributions:

- Single coverage—\$3,650 (up \$50)
- Family coverage—\$7,300 (up \$100)
- High deductible health plan (HDHP) out-of-pocket maximum limit:
 - Single coverage—\$7,050 (up \$50)
 - Family coverage—\$14,100 (up \$100)
- Health FSA contribution limit—\$2,850 (up \$100)
- Health FSA carryover limit—\$570 (up \$20)
- Transportation fringe benefit plan monthly limits—\$280 (up \$10)
- Employees' elective deferrals to 401(k) plans—\$20,500 (up \$1,000)
- Tax exclusion for adoption assistance benefits—\$14,440 (up \$140)

Unchanged Limits

Certain limits will not change for 2022, including the HDHP minimum deductible and catch-up contribution limits to HSAs or 401(k) plans. The tax exclusion for dependent care FSA benefits also returns to traditional rules.