



# Benefits Briefing

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**March 24, 2003 Issue  
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## ***Editor's Note***

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In an effort to keep you informed of regulation issues and new developments, we will be sending quarterly issues of our newsletter, **Benefits Briefing**. If there are HR contacts at your company who would benefit from this, please give us their names and email addresses, and we will add them to the distribution list.

## **Treasury Debit Card Guidance Expected "Soon"**

On February 10, 2003 The Employers Council on Flexible Compensation issued a bulletin indicating that a Top Treasury Department official confirmed the department is expected to release guidance on electronic transfers as they relate to debit cards and be able to address it at the ECFC's Annual Conference March 13-14, 2003. That did not happen.

Debit Card Guidance is on the IRS Business Plan for the year ending June 30, 2003 and they still expect to issue guidance "soon". We will keep you posted.

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## HIPAA Privacy and Security

The deadline to be in compliance with the HIPAA Privacy rule is fast approaching. The compliance date for large plans is April 14, 2003. Small plans have an extra year to comply. At Tri-Star, we are taking the necessary steps to be in compliance by April 14<sup>th</sup>.

The following are some of the administrative requirements if you are considered a covered entity:

- Implementing appropriate safeguards to protect PHI (Protected Health Information)
- Designating a Privacy Officer
- Training employees that receive or use PHI
- Establishing a grievance procedure for violations of privacy policies and procedures

The final Security Standards were published in the February 20<sup>th</sup> Federal Register with an effective date of April 21, 2003. Most covered entities will have two full years (April 21, 2005) to comply with these standards. Small health plans will have an additional year to comply.

The following are links for helpful HIPAA sources of information:

- Department of Health & Human Services <http://www.hhs.gov/>
- HIPAAdvisory: <http://www.hipaadvisory.com/>

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## HR Access

By now, a number of you are enjoying having the ability to access your employees' information via your computer. Through your internet browser you can view your employees' information with regards to certain benefit information depending on the types of services we provide to you. These include current benefit elections, Flexible Spending Account (FSA) and COBRA information. In the future you will be able to run reports from this site as well. We would like your input on what type of reports you would be interested in being able to run from this site. Please contact Stephanie Latina at [stephanie.latina@tri-starsystems.com](mailto:stephanie.latina@tri-starsystems.com) for more information.

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## Medical-Account Rules May Change

Millions of Americans have Flexible Spending Accounts and their biggest complaint is that if they don't spend the money by the end of their plan's year, they lose it. The Employers Council on Flexible Compensation in Washington estimates about 20% of participants in health-care flexible spending accounts forfeit a portion of their contributions.

For this reason, President Bush wants to eliminate the "use it or lose it" rule for these accounts. He is proposing legislation to allow participants to carry over as much as \$500 of unused of unused contributions into the following year. Another option would be to withdraw the money and pay taxes on it or sticking it in a 401(k) account or similar retirement plan.

While it is too soon to predict what will happen to the Bush proposal, it is already drawing support.

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## In the Next Issue.....

- HIPAA Privacy
- Claims Statistics
- Employee Internet Access for FSA Claims Account Information

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## Contact Us

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