



Acronyms & Benefits A Quick Reference Guide

RULES & ENFORCERS



Anyone throwing these terms around in casual conversation is likely very familiar with all things benefits OR has a lifelong dream of being a lawyer or tax advisor.



ACA

AFFORDABLE CARE ACT

ey - see - ey

Passed in 2010, this is the most significant bill, since the 1960s, to address health care reform and regulation.

DOL

DEPARTMENT OF LABOR

dee - oh - el

These are rule enforcers focused on employer business practices. They make sure employers are nice to employees.

HIPAA

HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT

hip - ah

Rules governing the use and protection of personal health information.

IRC

INTERNAL REVENUE CODE

eye - are - see

These are the rules put in place by the IRS regarding how certain laws should be managed and enforced.

SIGIS

SPECIAL INTEREST GROUP FOR IIAS STANDARDS

see - jis

SIGIS determines industry standards for what is considered an eligible expense. Their eligible expense list is the basis for the IIAS.

THE PRE-TAX TOOLBOX



The different types of pre-tax benefit plans are an alphabet soup of acronyms and it can get confusing telling FSAs apart from HSAs and HRAs. We're hoping this helps simplify things a bit!



CBP

COMMUTER BENEFIT PLAN

see - bee - pea

Tax-advantaged benefit program for mass transit and/or parking expenses.

DCA

DEPENDENT CARE ACCOUNT (OR DEPENDENT CARE FSA)

dee - see - ey

Pre-tax account to pay for out-of-pocket child care (such as day care) or adult dependent care expenses.

FSA

FLEXIBLE SPENDING ACCOUNT

ef - ess - ey

Pre-tax account used to pay for eligible expenses. The most common options are a Medical FSA, Limited FSA and/or Post-deductible FSA. An FSA is generally funded by the employee.

HRA

HEALTH REIMBURSEMENT ARRANGEMENT (OR HEALTH REIMBURSEMENT ACCOUNT)

aitch - are - ey

Employer-funded account to aid employees in paying eligible medical expenses as defined by the plan.

HRA
VEBA

HEALTH REIMBURSEMENT ARRANGEMENT VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

aitch - are - ey vee - bah

HRA VEBAs are employer funded. The funds go into a trust and roll over from year to year and are able to be invested.

HSA

HEALTH SAVINGS ACCOUNT

aitch - ess - ey

Tax-advantaged account owned by the individual participant. Funds go in tax-free, rollover from year-to-year, and remain tax-free when used for qualified medical expenses. Must be offered with an HSA-compatible health plan.

ACCOUNTING & HR



Here are some terms you may hear in an accounting/finance or human resources capacity.



ACH

AUTOMATED CLEARING HOUSE

ey - see - aitch

This is the electronic network that allows money to move from one financial institution to another in the United States. If you receive direct deposit, you likely receive it via ACH.

BAA

BUSINESS ASSOCIATE AGREEMENT

bee - ey - ey

Whenever a business is sharing PHI with another entity it is required to have a Business Associate Agreement. The agreement outlines how the entity will adhere to HIPAA responsibilities and risk.

NACHA

NATIONAL AUTOMATED CLEARINGHOUSE ASSOCIATION

na - cha

This is the organization that manages the development, administration and rules for the ACH network.

GENERAL BENEFITS TERMS



Here are some terms that you may hear when talking about benefits in a more general/overall capacity.



COBRA

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT

koh - brah

COBRA allows qualified beneficiaries the right to maintain group health benefits when coverage would otherwise be lost due to a qualifying life event (such as job loss, reduction in hours, divorce, etc.).

EOB

EXPLANATION OF BENEFITS

ee - oh - bee

Document (typically from the insurance company) containing which expenses were billed, the discounted rate (if applicable), what insurance paid, and what the patient's responsibility is.

EGP

EXTENDED GRACE PERIOD

ee - gee - pea

An option the FSA plan sponsor can select which allows an additional 2.5 months beyond the end of the plan year to spend remaining FSA funds.

HDHP

HIGH DEDUCTIBLE HEALTH PLAN (OR HSA-COMPATIBLE HEALTH PLAN)

aitch - dee - aitch - pea

A health plan that meets the minimum deductible and maximum out-of-pocket expense limits to be offered with an HSA.

IIAS

INVENTORY INFORMATION APPROVAL SYSTEM

eye - eye - ey - ess

The system used by merchants to verify whether an item is an eligible medical expense based on the SIGIS Eligible Product List.

MCC

MERCHANT CATEGORY CODE

em - see - see

The identification system used by the credit card industry to identify the primary industry of each business. MCC is used by the benefits industry to determine where you can use a pre-tax benefits card.

OTC

OVER-THE-COUNTER

oh - tee - see

Health care items you can buy at a qualified merchant without a prescription.

PHI

PERSONAL HEALTH INFORMATION

pea - aitch - eye

Information related to personal health such as procedures received, medications, and other health claim information.

PII

PERSONALLY IDENTIFIABLE INFORMATION

pea - eye - eye

Information that can be used to identify an individual which is not publically accessible, such as: social security number and date of birth.