



HOW TO EVALUATE AND STRUCTURE Select Services Programs

There are situations where employers are looking to provide expanded coverage for select services due to environmental, social or regulatory factors. This document is intended to provide general information and factors to consider. It does not constitute legal advice. **Before implementing a select services program, consult your benefits attorney to ensure the specific rules and laws affecting your plan are considered.**

STEP 1: UNDERSTAND THE PROBLEM

There are a variety of factors that may prompt an employer to consider offering a select services program. A select services program is designed to address a specific need or array of needs that may be affecting employees. Before selecting a solution, it is important to gather the facts and understand the problem.

- *What is the problem or situation you are looking to address?*
- *Are there legal constraints that will impact the solution? What are the specific laws and conditions that exist?* These may vary by state or even local municipalities in some cases.
- *Are there insurance coverage rules?* State insurance commissions may indicate what can or cannot be covered in a certain state. However, services received out-of-state may be eligible under Federal eligibility guidelines.

STEP 2: IDENTIFY ELIGIBLE SERVICES

Employers determine what expenses will be covered by the offering. However, a variety of factors should be considered

- *When paying any medical-related expenses* it is considered a “group health plan” and will be subject to certain rules such as ERISA and subject to COBRA.
- *Ensure you preserve privacy and compliance* with legislative and regulatory rules. Limiting a plan to a single medical expense category can present challenges for privacy, HIPPA and compliance with Mental Health Parity and Addiction Equity Act (MHPAEA). There are two approaches to overcome this.
 - A conservative response would cover all medical expenses covered in Section 213d.
 - An alternative approach is to identify a list of Select Services that will be covered. Sample List of Select Services:
 - Mental health services
 - Addiction or substance abuse services
 - Fertility-related services
 - Birth control services
- *Consider the practical implications of covering travel-related expenses.* When evaluating coverage for travel-related expenses, you may want to consider offering a post-tax Select Services Account in order to provide the best experience for employees. While certain travel and lodging expenses may be covered under an HRA, there are limitations, daily expense caps, and coverage requirements that may make it difficult for employees to use the benefit. A Select Services Account offers more flexibility and ease of use.



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STEP 3: SELECT THE ACCOUNT

Based on the problem you are looking to solve and the expenses you are looking to cover, there is a program to meet your needs.

SUMMARY OF ACCOUNT OPTIONS FOR SELECT SERVICE PROGRAMS

	Integrated HRA	Post-deductible HRA	Excepted Benefit HRA	Select Services Reimbursement Account
Basics	Employer funding on a tax-advantaged basis for eligible medical expenses. Employers can set the funding limits and rules. Can only be offered to employees enrolled with group health plan coverage. Not HSA-compatible.	Employer funding on a tax-advantaged basis for eligible medical expenses above the statutory deductible limit. Can only be offered to employees enrolled with group health plan coverage. HSA-compatible.	Employer-funded account on a tax-advantaged basis for eligible medical expenses. Can be offered to all employees who are offered coverage under group health plan, even if they decline. Benefit limited to \$1,800.	Employer-funded, post-tax benefit for select services identified by the employer (not medical expenses).
Is pre-tax?	Yes	Yes	Yes	No
Permitted expenses	A: All 213d medical expenses <u>OR</u> B: Select Services: <ul style="list-style-type: none"> • Mental health services • Addiction or substance abuse services • Fertility-related services • Birth control services 	A: All 213d medical expenses <u>OR</u> B: Select Services: <ul style="list-style-type: none"> • Mental health services • Addiction or substance abuse services • Fertility-related services • Birth control services 	A: All 213d medical expenses <u>OR</u> B: Select Services: <ul style="list-style-type: none"> • Mental health services • Addiction or substance abuse services • Fertility-related services • Birth control services 	SELECT SERVICES: <ul style="list-style-type: none"> • Travel • Lodging • Meals <i>Cannot be used to cover medical expenses.</i>
Who can participate?	May include all employees under group's health plan or another group health plan, except individuals contributing to HSA	May include all employees under group's health plan or another group health plan, including individuals contributing to HSA	May include all employees (separate post-deductible option for individuals contributing to HSA)	May include all employees.
Funding	Set by group. See insurance carrier for any implications to rates.	Set by group. See insurance carrier for any implications to rates.	Maximum benefit of \$1,800 annually.	Set by group.
How are funds accessed?	Claims recommended. Card may be offered with participant guidelines for use. If card used incorrectly, may result in payment of other medical expenses.	Claims recommended. Card may be offered with participant guidelines for use (once deductible met). EOB required for proof that out-of-pocket deductible threshold is met. If card used incorrectly, may result in payment of other medical expenses.	Claims recommended. Card may be offered with participant guidelines for use. If card used incorrectly, may result in payment of other medical expenses.	Card may be offered with participant guidelines for use. If card used incorrectly, may result in payment of non-medical-related travel expenses. Claims available.

STEP 4: CONTACT YOUR ASSIGNED BRI REPRESENTATIVE

Your assigned BRI representative is ready to assist you with questions and support as you evaluate a select services program. You may also contact info@benefitresource.com if you need to be connected with a representative.