

§ 9417. HEALTH REIMBURSEMENT ARRANGEMENTS; HEALTH SAVINGS
ACCOUNTS; FLEXIBLE SPENDING ARRANGEMENTS; ADMINISTRATION;
RULEMAKING

Sec. 1. 18 V.S.A. § 9417 is added to read:

(a) As used in this section;

(1) “Health reimbursement arrangement” or “HRA” means any account-based reimbursement arrangement funded solely by employer contributions that reimburses an employee, spouse, or dependents, or a combination thereof, for medical care expenses incurred by the employee, spouse, their dependents, or a combination thereof, up to a maximum coverage amount set by the employer for a given coverage period and that is established pursuant to 26 U.S.C. §§ 105 – 106 and applicable IRS guidance.

(2) “Health savings account” or “HSA” has the same meaning as in 26 U.S.C. § 223(d)(1).

(3) “Flexible spending account” or “FSA” has the same meaning as in 26 U.S.C. 106(c)(2).

(4) “Governmental plan” has the same meaning as in 29 U.S.C. § 1002(32).

(b) Entities administering HRAs, HSAs, or FSAs, or a combination of these associated with governmental plans in this State provide financial services to Vermont residents and are subject to the jurisdiction of the Commissioner of Financial Regulation pursuant to 8 V.S.A. § 10 and all other applicable provisions.

(c) The Commissioner of Financial Regulation may adopt rules pursuant to 3 V.S.A. chapter 25 to license or regulate, to the extent permitted under federal law, entities administering,

or proposing to administer, one or more HRAs, HSAs, or FSAs associated with governmental plans, or a combination of these, in this State. The rules may include:

- (1) annual licensure or registration filing requirements, and;
- (2) such requirements and qualifications for such entities as the Commissioner determines are appropriate, which may include:

- i. bonding, surplus, reserves, or a combination thereof;
- ii. information security and confidentiality; and
- iii. examination and enforcement.

(d) Following the adoption of rules, if any, under subsection (b) of this section, an entity making an initial application for a license or registration to administer HRAs, HSAs, or FSAs associated with governmental plans, or a combination of these in this State shall pay to the Commissioner a nonrefundable fee of \$600.00 for examining, investigating, and processing the application. In addition, each such entity shall pay a renewal fee of \$600.00 on or before December 31 every three (3) years following initial licensure.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.