

December 12, 2018

Charles P. Rettig  
Commissioner  
Internal Revenue Service  
Room 5205  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

CC:PA:LPD:PR (REG-136724-17); Health Reimbursement Arrangements and Other Account-Based Group Health Plans.

Dear Commissioner Rettig:

On behalf of the 161,000 members of the American Dental Association (ADA), we are writing to you in regards to the proposed rule, REG-136724-17, Health Reimbursement Arrangements (HRAs) and Other Account-Based Group Health Plans.

The ADA appreciates your efforts to expand access to affordable healthcare. We support the use of tax preferred accounts for medical and dental expenses. As an organization dedicated to assisting its members in advancing the overall oral health of the public, the ADA recognizes that these accounts play an important role in ensuring that consumers can afford care. The proposed rule would recognize HRAs as limited excepted benefits, if certain conditions are met.

The first condition is that the excepted benefit HRAs would not be an integral part of the plan. The ADA supports the rule's provision requiring other group health plan coverage to be made available by the same plan sponsor for the plan year to the HRA participants. Similar to Flexible Spending Arrangements (FSAs), excepted benefit HRA participants would not be required to participate in the other group health plan coverage.

The test also requires that the excepted benefit HRAs be limited in amount. The ADA recognizes that there are several different methodologies that could be used to determine the amount of the excepted benefit HRAs. We agree that using the midpoint of those methodologies, \$1,800, as the HRA limit may reduce complexity and encourages affordability. Recognizing the need for children to have access to oral healthcare, the ADA asks that this amount be higher if the HRA covers dependents, as is currently the case for HRAs. Additionally, if any of the funds in the HRA are not used during the plan year and are carried over to the next, they should not be included in the determination of whether the excepted benefit HRA is limited in amount. If the participant has multiple excepted benefit HRAs, then we believe each account should each have its own limit. The ADA does not agree with the rule's proposal to aggregate the amounts of these HRAs as this could decrease the funds available for dental care.

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The ADA supports the rule's proposal to allow excepted benefit HRAs to reimburse premiums for individual health insurance coverage that consists solely of excepted benefits or coverage under a group health plan that consists solely of excepted benefits. This would allow participants in a dental benefit plan to use the HRA to cover those costs.

Lastly, the rule requires that the excepted benefit HRAs be made available under the same terms to all similarly situated individuals. The ADA agrees that this requirement is necessary to prevent discrimination based on health factors.

Thank you again for your work on this important rule. The ADA looks forward to continuing to work with you. Should you have any questions, please contact Ms. Roxanne Yaghoubi in the ADA's Washington office at (202) 789-5179 or [yaghoubir@ada.org](mailto:yaghoubir@ada.org).

Sincerely,

Jeffrey M. Cole, D.D.S., M.B.A.  
President

Kathleen T. O'Loughlin, D.M.D., M.P.H.  
Executive Director

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