

**11—64.13(8A) Health flexible spending account.** The director administers the health flexible spending account plan for employees of the state of Iowa. The program is permitted under IRC Section 125.

Administration of the plan shall comply with all applicable federal regulations and the Plan Document. To the extent that the provisions of the Plan Document or administrative rule conflict with IRC Section 125, the provisions of IRC Section 125 shall govern. For purposes of this rule, the plan year is a calendar year.

**64.13(1) Employee eligibility.** All nontemporary employees who work at least 1040 hours per calendar year are eligible to participate in the health flexible spending account plan. Temporary employees are not eligible to participate in this plan.

**64.13(2) Enrollment.** An open enrollment period, as designated by the director, shall be held for employees who wish to participate in the plan. New employees may enroll within 30 calendar days following their date of hire. Employees also may enroll or change their existing health flexible spending account salary reduction amounts during the plan year, provided they have a qualifying change in status as defined in the Plan Document, and as permitted under IRC Section 125. To continue participation, employees shall reenroll each year during the open enrollment period.

**64.13(3) Modification or termination of participation in the plan.** An employee may modify or terminate participation in the plan, provided the employee has a qualifying change in status as defined in the Plan Document, and as permitted under IRC Section 125. Employees who have terminated state employment and are rehired within 30 days must resume their participation in the plan. Employees who terminate state employment and are rehired more than 30 days after termination may reenroll in the plan.

**64.13(4) Continuation of coverage.** The health flexible spending account plan shall provide the opportunity to continue coverage as required by applicable state and federal laws.

**64.13(5) Eligible health care expenses.** The types of expenses eligible for reimbursement shall be consistent with medical expenses as defined under IRC Section 213.

**64.13(6) Acceptable proof of eligible expense.** Only those expenses for which appropriate documentation is submitted shall be eligible for reimbursement. Such documentation shall include the date upon which the expense was incurred; sufficient evidence that the expense is an eligible health care expense; evidence that the expense has been incurred and will not be reimbursed under an otherwise qualified health plan authorized by IRC Sections 105 and 106; and the amount of such expense.

**64.13(7) Appeal process.** In the event that a participant disagrees with a determination as to reimbursement from the health flexible spending account plan, a formal appeals mechanism is hereby provided. The participant may submit a formal appeal in writing to the director (or designee). Such appeal must be accompanied by a previous written request for favorable consideration to the designated administrator of the plan, along with evidence as to an unfavorable determination in response to this request. Upon receipt of a qualified appeal, the director (or designee) shall provide a written determination within 30 days of receipt. Such determination shall be final and binding. This appeal process is not a contested case proceeding as defined by Iowa Code chapter 17A.

**64.13(8) Third-party administrator.** The director may contract with a third-party administrator to perform such actions as are reasonably necessary to administer the health flexible spending account plan.

[ARC 3215C, IAB 7/19/17, effective 7/1/17]