

LEGISLATIVE BRIEF

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Employee Benefits Annual Notice Checklist

Federal law imposes numerous requirements on the group health coverage that employers decide to provide to their employees. Many federal laws apply to all group health plans, regardless of the size of the sponsoring employer.

This Legislative Brief provides a compliance checklist for employee benefit notices that need to be distributed to employees.

IRS/DOL Required Notices

| Notices | Comments |
|---------------------------------|--|
| COBRA General (or Initial) | Notice to participants and spouses of their right to continue self-paid health coverage. Applies to groups with 20 or more employees |
| COBRA Election | Notice to qualified beneficiaries after a qualifying event. Applies to groups with 20 or more employees |
| HIPAA Special Enrollment Rights | Explains HIPAA's special enrollment rules that apply when employee, spouse, or dependents may enroll in the plan. |

HHS Required Notices

| Coverage | Comments |
|---------------------------------------|---|
| Medicare Part D Notice | This notice provides participants with information as to whether the prescription drug coverage under the employer's group health plan is credible with Medicare Part D. This notice must be provided in five circumstances, but will be deemed to satisfy these five circumstances if it is provided annually and upon hire. |
| Creditable Coverage - Medicare Part D | Provide a written disclosure notice to all Medicare eligible individuals annually who are covered under its prescription drug plan, prior to October 15th each year and at various times as stated in the regulations, including to a Medicare eligible individual when he/she joins the plan. |
| Privacy Practices Notice - HIPAA | Provides a clear, user friendly explanation of individual's rights with respect to their PHI and privacy practices of health plans. |

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DOL Required Notices

| Notices | Comments |
|---|--|
| CHIPRA Notice | Potential opportunities for premium assistance under Medicaid or CHIP in state in which employee resides. |
| Summary Annual Report (SAR) | Applies to groups that file a 5500. Provides summary of financial information in annual report. |
| Summary Plan Description (SPD) | Contains summary of benefits provided by one or more plans, including eligibility requirements, funding arrangements, claims procedures, and ERISA rights. |
| Summary of Material Reduction in Covered Services or Benefits | Describes material reductions in covered services or benefits. Must be provided within 60 days of adoption of material reduction in group health-plan services or benefits. |
| Summary of Material Modifications (SMM) | Must provide employees with 60-day prior notice of material changes to group health plan. |
| Women's Health & Cancer Rights Act (WHCRA) Notice | Notice describing required benefits for mastectomy-related reconstructive surgery, prostheses and treatment of physical complications of mastectomy. Notice must be furnished annually and upon enrollment. |
| Wellness Program Disclosure | Notice given by any group health plan offering a wellness program that requires individuals to meet a standard related to a health factor in order to obtain a reward. Must be provided in all plan materials that describe the terms of the wellness program. |

Compliance

| Coverage | Comments |
|--|--|
| Plan Changes | Notice of material modification in any terms of the plan that is not in the uniform Summary of Benefits |
| Uniform Summary of Benefits (SBC) | A summary, not to exceed four pages, of plan benefits coverage and cost-sharing arrangements, including exceptions, reductions, limitations and renewal information. |
| Clinical Effectiveness Research (CER) Fees | Self-insured plan sponsors must pay \$1 per plan participant. The following year the fee increases to \$2 and is indexed thereafter. Fully-insured policies the fee is paid by the carrier. |
| Exchange Notice | FLSA section 18B, added to the labor statute by the Patient Protection and Affordable Care Act (PPACA), requires employers that are subject to the FLSA to provide to each of their employees, and to all new employees at the time of hiring, a written notice. |
| Reinsurance Fee | Self-insured plan sponsors must pay \$44 for 2015 and \$27 proposed for 2016. Fully-insured policies the fee is paid by the carrier. |
| Mandate Reporting | Self-insured plan sponsors must complete individual mandate reporting; all employers subject to pay or play must complete employer mandate reporting. |