

# Benefits BULLETIN

Fourth Quarter 2019

Benefits Tips Brought to You by Ronstadt Insurance

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## 2020 Open Enrollment Checklist

To prepare for open enrollment, group health plan sponsors should be aware of the legal changes affecting the design and administration of their plans for plan years beginning on or after Jan. 1, 2020. Employers should review their plan documents to confirm that they include these required changes.

In addition, any changes to a health plan's benefits for the 2020 plan year should be communicated to plan participants through an updated summary plan description (SPD) or a summary of material modifications (SMM).

Health plan sponsors should also confirm that their open enrollment materials contain certain required participant notices when applicable—for example, the summary of benefits and coverage (SBC). There are also some participant notices that must be provided annually or upon initial enrollment. To minimize costs and streamline administration, employers should consider including these notices in their open enrollment materials.

## Brief Overview of 2020 Changes

This is an abridged list of 2020 plan design changes:

- ACA Affordability Standard: For plan years that begin on or after Jan. 1, 2020, the affordability percentage is 9.78%.
- Out-of-pocket Maximum: The annual limit on total enrollee cost sharing for essential health benefits for plan years beginning on or after Jan. 1, 2020, is \$8,150 for self-only coverage and \$16,300 for family coverage.
- Health FSA Contributions: The IRS has not yet announced the flexible spending account limit for 2020 plan years.
- HDHP and HSA Limits for 2020: The IRS limits for health savings account contributions and high deductible health plan cost-sharing increase for 2020.
- Wellness Plan Design – ADA Compliance: The Equal Employment Opportunity Commission has indicated that it may issue new proposed wellness rules by the end of 2019.

For a comprehensive overview of changes to expect, or to discuss other annual enrollment obligations, speak with Ronstadt Insurance today.

## 2020 Benefits Notices

Employers that sponsor group health plans should provide certain benefit notices in connection with their plans' open enrollment periods. Some of these notices must be provided at open enrollment time, such as the SBC.

Other notices, such as the Women's Health and Cancer Rights Act (WHCRA) notice, must be distributed annually. Although these annual notices may be provided at different times throughout the year, employers often choose to include them in their open enrollment materials for administrative convenience.

In addition, employers should review their open enrollment materials to confirm that they accurately reflect the terms and cost of coverage. In general, any plan design changes for 2020 should be communicated to plan participants either through an updated SPD or a SMM.

The next page includes a chart that summarizes the applicability of the benefits notices employers should provide at open enrollment time. Note, the following chart is not exhaustive and only includes the notice title and its applicability.



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## 2020 Benefits Notices, Cont.

Notice	Applicability
<b>SBC</b>	Group health plans and health insurance issuers
<b>Medicare Part D notice of creditable or non-creditable coverage</b>	Employers with group health plans that provide prescription drug coverage
<b>WHCRA notice</b>	Group health plans that provide medical and surgical benefits for mastectomies
<b>Children's Health Insurance Program (CHIP) notice</b>	Group health plans that cover residents in a state that provides a premium assistance subsidy under a Medicaid plan or CHIP.
<b>SPD</b>	Group health plans subject to ERISA
<b>COBRA general notice</b>	Group health plans subject to COBRA
<b>Grandfathered plan notice</b>	Health plans that have grandfathered status under the Affordable Care Act (ACA)
<b>Notice of patient protections</b>	Non-grandfathered group health plans that require designation of a participating primary care provider

<b>HIPAA privacy notice</b>	Self-insured group health plans
<b>HIPAA special enrollment notice</b>	All group health plans
<b>Wellness notice - HIPAA</b>	Group health plans with health-contingent wellness programs
<b>Wellness notice - ADA</b>	Wellness programs that collect health information or include medical exams
<b>Individual coverage HRA (ICHRA)</b>	Employers that sponsor ICHRAs for specific classes of employees (or all employees)

For more details about a specific benefits notice or its requirements, speak with Ronstadt Insurance right away.

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## Maximizing Open Enrollment for Employees

Open enrollment can be an overwhelming time for both employers and employees. Employees are given the opportunity to re-evaluate their current benefits and make changes for the coming year, while employers must weigh different benefits packages and facilitate the enrollment process.

With all these moving parts, it's important that employers educate and communicate with their employees effectively.

Below is a typical open enrollment process timeline. Be sure to share this timeline with employees so they know what to expect.

- **Notification**—Employers send out an organization-wide announcement alerting employees that open enrollment will begin shortly.
- **Receipt of information**—Employers distribute information about benefit plans, selection information and the appropriate forms to their workers. Employees may also receive personal information based on their elections from the previous year.
- **Making decisions**—Employees research their various benefits options and discuss with family to determine which benefits they will elect for the coming year.
- **Enrollment**—Employees select their benefits.

Beyond the enrollment period itself, there are a number of opportunities for employers to make the process smooth for everyone.

Here are some strategies:

- **Establish solid communication between the HR department and employees.** To do so effectively, conduct meetings and seminars, and offer calculators, intranet education information and benefit fairs. If your organization is smaller, conduct one-on-one meetings with employees to determine exactly the type of information they need.
- **Survey your employee population to determine their priorities** (e.g., which products they use and preferred methods of communication). By doing so, employers can identify exactly what their employees want, and workers feel their needs have been heard by decision-makers.
- **Customize benefits and information resources to the life stages of your employees.** For instance, if you have a large older population, feature more retiree benefits and long-term care insurance.
- **Consider offering new benefits, even if they are voluntary,** such as dental insurance, vision insurance or benefits for prescription drugs. Employees tend to make more changes when they receive new options.

- **Provide easy-to-understand tools.** This will lessen employee confusion and the feeling of being overwhelmed while trying to make tough decisions.
- **Offer a second, off-cycle enrollment period when new benefits are featured.** This can be a time for employees to focus on voluntary benefits and other offerings that are not traditional. These benefits are typically overshadowed by health insurance and retirement options, so a second off-cycle enrollment is a great time for employees to focus on their other needs.
- **Make plan information as simple as possible, while also being interactive.** Employees should be able to understand their offerings to make more knowledgeable decisions.
- **Maintain all SPDs on your website,** rather than directing employees to the insurance carrier site for information. This provides easy access and makes the company appear more in control of the information.

Overall, a successful and effective open enrollment process can have a dramatic impact on the relationship between employers and their employees. By catering to their needs and wants, employers will ultimately make the experience more enjoyable and worthwhile for their workers. As a result, they will feel more secure in their benefits decisions throughout the plan year.