

Dealing with Health Plan Disclosures

10/13/2010

[Jennifer A. Watkins](#)

2011 is right around the corner, and for calendar year plans, that means compliance with health care reform. One of the first things plans have to deal with involves participant disclosures required under the new rules.

What follows is a brief summary of the disclosures required for 2011.

All Group Health Plans

The following notices are required for all group health plans, including grandfathered plans:

- **Extended Dependent Coverage and Enrollment Notice**

Plans that offer dependent coverage must provide a notice informing participants that their children's coverage can continue until the child's 26th birthday. Plans must also offer a 30-day period to enroll eligible children who lost or were denied coverage because the plan had a lower age limit. Plans may run this special enrollment period concurrently with their normal open enrollment period, as long as the normal period is at least 30 days long.

Plans may choose to extend coverage beyond the adult child's 26th birthday, such as until the end of the month or the year in which the individual turns 26, and the value of this coverage can still be excluded from the employee's income.

For calendar year plans, the notice and enrollment period must be provided no later than January 1, 2011, and the enrollment must be effective as of that date. Until 2014, grandfathered plans do not have to provide coverage if the adult child is covered under another employer-sponsored plan other than a parent's plan. The notice may be included with other enrollment materials, provided the statement is prominent. You can find the model notice here: <http://www.dol.gov/ebsa/dependentsmodelnotice.doc>.

- **Lifetime Limits Elimination and Enrollment Notice**

Plans are required to provide notice of the elimination of lifetime dollar limits to those who lost coverage upon reaching a plan's lifetime limit. The plan must offer a 30-day special enrollment opportunity to affected individuals. For calendar year plans, the notice and enrollment period must be provided no later than January 1, 2011, and the enrollment must be effective as of that date. The notice may be included with other

enrollment materials, provided the statement is prominent. You can find the model notice here: <http://www.dol.gov/ebsa/lifetimelimitsmodelnotice.doc>.

- **Grandfathered Status**

Plans attempting to retain grandfathered status must include a statement that the plan is believed to be a grandfathered plan. The statement should be included in any plan materials that describe the benefits under the plan, such as the summary plan description, enrollment materials and other similar documents. You can find the model notice here: <http://www.dol.gov/ebsa/grandfatherregmodelnotice.doc>.

- **Advance Notice of Rescission**

Plans that retroactively terminate an individual's coverage under the very narrow circumstances now permitted (deliberate fraud or intentional misrepresentation) must give the affected individual at least 30 days' advanced notice. There is no model notice for this requirement.

Non-Grandfathered Plans

Plans that are not grandfathered are subject to the following additional disclosures:

- **Provider Choice**

Plans that require designation of a primary care provider must inform participants of their right to choose a primary care provider and to obtain obstetrical or gynecological care without prior authorization. For calendar year plans, the notice must be provided no later than January 1, 2011. This notice must be incorporated into the plan's summary plan description or provided as a separate notice with the summary plan description. You can find the model notice here: <http://www.dol.gov/ebsa/patientprotectionmodelnotice.doc>

- **Claims Appeals**

A participant whose benefit claim is denied must receive notices describing the plan's internal and external appeals procedures. We previously told you about the new external appeals, available here: http://www.wnj.com/dol_announces_external_appeals_requirements-9-1-2010-health_care_reform_law/.

Several model notices are available for this process:

- Notice of adverse benefit determination: <http://www.dol.gov/ebsa/IABDModelNotice2.doc>
- Notice of final internal adverse benefit determination: <http://www.dol.gov/ebsa/IABDModelNotice1.doc>
- Notice of final external review decision: <http://www.dol.gov/ebsa/IABDModelNotice3.doc>



Please contact a member of Warner's Health Care Reform Task Force if you have any questions about Health Care Reform or would like help customizing these disclosures to your plan.
