

**EMPLOYEE BENEFITS  
UPDATE**

In preparation for the health plan open enrollment season, Thompson Hine is working closely with its clients to help implement necessary and desired changes to employer group health plans. The breadth and depth of our experience allows us to identify best practices as they emerge and provide responsive, legally compliant and cost-effective solutions. We are pleased to provide the following checklist of steps that employers should take between now and the beginning of the year in order to ensure compliance with new health care reform requirements. For more information on ensuring that the design of your group health plans, employee communications, and plan documentation comply with health care reform, contact any member of our **Employee Benefits & Executive Compensation** practice group.

**2011 Health Care Reform Checklist**

- Finalize health plan design and cost calculations and complete analysis regarding whether any design, carrier and/or cost changes cause the plan to lose grandfathered plan status.
- Confirm that health plan design and features satisfy health care reform requirements that are effective for 2011. Note that even grandfathered plans are subject to certain new requirements.
- Determine what changes may be necessary or desirable to other benefits such as retiree medical benefits, dental benefits and/or vision benefits. Note that stand-alone retiree plans and limited scope dental and vision plans are not subject to certain of the new health care reform requirements.
- Determine how to implement the required 30-day enrollment period applicable to adult children up to the age of 26. Be sure notice of such enrollment right is provided in the appropriate manner to plan participants. A model notice can be found at [www.dol.gov/ebsa/dependentsmodelnotice.doc](http://www.dol.gov/ebsa/dependentsmodelnotice.doc).
- If coverage of any participant was previously terminated due to imposition of a lifetime maximum, determine how to implement the required 30-day re-enrollment period and provide the required notice of such re-enrollment right. A model notice can be found at [www.dol.gov/ebsa/lifetimelimitsmodelnotice.doc](http://www.dol.gov/ebsa/lifetimelimitsmodelnotice.doc).
- If any of the health benefit plan options offered will be grandfathered, be sure that all open enrollment communications and other materials describing benefits offered under these grandfathered options contain the required disclosure regarding grandfathered status. A model disclosure can be found at [www.dol.gov/ebsa/grandfatherregmodelnotice.doc](http://www.dol.gov/ebsa/grandfatherregmodelnotice.doc).



- If health care flexible spending accounts are offered, be sure that the new restrictions on reimbursements for over-the-counter drugs (other than insulin) are communicated to plan participants.
- Amend health plan and cafeteria plan documents to reflect 2011 changes. Amendments to reflect changes to health plans and cafeteria plans are generally required to be adopted on or before the effective date of the changes.
- Review severance and employment agreements to determine whether changes are necessary due to new non-discrimination requirements applicable to fully insured, non-grandfathered plans.
- Because of heightened awareness surrounding health care reform, consider communicating in advance of open enrollment to HR staff and other personnel who may be fielding questions from participants about the employer's approach to these new requirements.

#### **NON-GRANDFATHERED PLANS**

- For self-insured plans, carefully review and analyze current claims and appeals procedures and determine whether changes are necessary or desirable to the procedures and/or to administrative services agreements in light of the new claims, appeals and external review requirements. Model notices designed to comply with these new rules can be found at [www.dol.gov/ebsa/IABDModelNotice1.doc](http://www.dol.gov/ebsa/IABDModelNotice1.doc); [www.dol.gov/ebsa/IABDModelNotice2.doc](http://www.dol.gov/ebsa/IABDModelNotice2.doc); [www.dol.gov/ebsa/IABDModelNotice3.doc](http://www.dol.gov/ebsa/IABDModelNotice3.doc).
- For self-insured plans, research and begin contracting with independent review organizations (or ensure that the claims administrator is doing so on your behalf).
- Determine whether disclosures regarding new patient protections are required. These disclosures can be found at [www.dol.gov/ebsa/patientprotectionmodelnotice.doc](http://www.dol.gov/ebsa/patientprotectionmodelnotice.doc).
- For fully insured plans, determine whether changes are necessary due to new non-discrimination requirements.

#### **PLANS PARTICIPATING IN THE EARLY RETIREE REINSURANCE PROGRAM**

- Prepare for submitting claims by compiling a list of eligible retirees and dependents and obtaining eligible claims data.
- Determine the most effective way to provide the required notice to participants. The required notice can be found at [www.errp.gov/download/Notice\\_to\\_Plan\\_Participants.pdf](http://www.errp.gov/download/Notice_to_Plan_Participants.pdf).
- Ensure that appropriate vendor agreements are in place.



## FOR MORE INFORMATION

Please see our prior updates on the Health Care Reform Legislation:

- *Health Care Reform Impacts Grandfathered Employer-Sponsored Group Health Plans: Now What?* [www.ThompsonHine.com/publications/publication2083.html](http://www.ThompsonHine.com/publications/publication2083.html)
- *Adult Child Coverage and Related Tax Treatment*  
[www.ThompsonHine.com/publications/publication2092.html](http://www.ThompsonHine.com/publications/publication2092.html)
- *Grandfathered Plan Status* [www.ThompsonHine.com/publications/publication2125.html](http://www.ThompsonHine.com/publications/publication2125.html)
- *Claims and Appeals Procedures*  
[www.ThompsonHine.com/publications/publication2161.html](http://www.ThompsonHine.com/publications/publication2161.html)

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