
Preparing for Open Enrollment

By Nancy L. Farnam / Sep 15, 2014

As employers head into open enrollment, they face a number of administrative responsibilities as well as new challenges under the Affordable Care Act. While there isn't a one-size-fits-all approach, the following guidelines address some of the issues employers should consider this open enrollment season.

Employers must provide employees with a number of annual notices. They can minimize the burden of providing these notices by including them with enrollment materials. [Click here](#) for an example of an annual enrollment notice. If you would like a modifiable version of the document for use in your open enrollment materials, please contact Nancy Farnam.

In addition to the enclosed annual notices, employers must distribute a Summary of Benefits and Coverage (SBC) at open enrollment and to new participants when they enter the plan. Employers are also required to distribute the Medicare Part D Creditable (or Non-Creditable Coverage) Notice. This notice of creditable coverage is due before October 15 of each year; if the timing is right, employers may want to include this notice with open enrollment materials.[1]

Employers need to review plan design and plan documents to determine if any amendments are necessary for the 2014 and 2015 plan years. A number of amendments may be required by the end of the 2014 plan year to comply with the Affordable Care Act and other laws, including:

- Limiting waiting periods to no more than 90 days.
- Addressing how the plan defines "spouse" for purposes of including or excluding a legally married same-sex spouse.
- Plans may no longer have annual limits on certain benefits and are subject to new maximum out-of-pocket limits.
- Beginning in 2015, "large" employers will be required to offer health coverage that meets certain requirements and is considered "affordable" to all "full-time" employees (those employees working on average 30 or more hours per week). An employer will be permitted to use a special measurement period to determine full-time employee status. To comply with this requirement, employers need to address plan eligibility (including exclusions for certain categories of employees such as temporary employees, employees hired through staffing companies and seasonal employees), and may need to establish a measurement period to track hours.

We're working with clients now to comply with and prepare for these existing and upcoming mandates. Contact Nancy Farnam atnfarnam@clarkhill.com, or (248) 530-6333, Ed Hammond atehammond@clarkhill.com or (248) 988-1821; Kristi Gauthier atkgauthier@clarkhill.com or (248) 988-5854; or Doug Ellis atdellis@clarkhill.com or (412) 394-2367 or a member of our Labor and Employment Practice group.

[1] Additional notices are required throughout the year that are not discussed in this alert.