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SMALL BUSINESS SERVICES

Your 2013 Open Enrollment Checklist

For many businesses with calendar year plans, open enrollment is fast approaching. Open enrollment is a prime opportunity to help employees make educated plan choices and truly understand the value of company-provided benefits. In this Tip, we provide a checklist to help your business prepare for open enrollment, including considerations in light of the ongoing implementation of Health Care Reform.

YOUR 2013 OPEN ENROLLMENT CHECKLIST

Open enrollment is a time when employees can join their employer's health plan, opt for additional benefits, or make changes to their existing benefits package. The open enrollment process is a good opportunity to help employees make educated plan choices and truly understand the value of the benefits their employer provides to them. For many businesses with calendar year plans, open enrollment is fast approaching.

The following is a checklist employers should consider to better prepare their workforce for the open enrollment process.

- **Highlight the value of your benefits.** Highlight the benefits you offer and really showcase the value. Some employees may not realize all that is available to them. By educating your employees on their options and helping them to understand how they can make better enrollment decisions you can help increase employee morale and loyalty.
- **Don't leave your employees in the dark.** An effective communication and education program that emphasizes self-service tools and online access can minimize calls and reduce the burden on human resource staff. Utilize the communication tools you have available, such as bulletin boards (physical or virtual) and e-mail, to communicate with your employees about changes to the benefits available to them. Consider bringing in a representative from your insurance company to talk about your company's health and welfare plans and explain the difference between each option. You may also want to host a Q&A session where employees can raise questions with a benefits expert.

- **Encourage employee participation and review.** Instead of actively choosing their benefits during open enrollment, many employees simply stay with the default option year after year. But, for many employees, the default option may not necessarily be their best option if their circumstances have changed. It is important for employers to encourage their employees to review their benefit plan choices carefully, take into account past usage, and to select the one that best fits their current needs.
- **Promote cost-saving opportunities.** Employees should receive information on ways they can reduce their own benefit costs. For example, if you offer a flexible spending account, inform employees of the benefits and rules of using these accounts in order to pay for healthcare expenses on a tax-preferred basis.
- **Communicate required information pertaining to the ACA.** Employers have a responsibility to both understand and convey the impact that the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act (collectively referred to as the "Affordable Care Act" or "Health Care Reform") will have on employees and their benefits. By October 1, 2013, all employers subject to the Fair Labor Standards Act (FLSA) must provide their current employees with a Notice of the Coverage Options ("Notice"). The Notice must be provided to all full-time and part-time employees, regardless of the employee's plan enrollment status. The Notices are not required for dependents or other individuals who are not employees.

Note: ADP makes the Employer Notice of Coverage Options letters available to you in the RUN Powered by ADP® Support Center. The letter you select to use would depend on whether you currently offer insurance coverage to your employees and, if so, what type. .



- **Ensure the SBC and Glossary are provided.** Group health plans and insurers must furnish a summary of benefits coverage (“SBC”) and uniform glossary of medical and coverage terms (“Glossary”) to participants and beneficiaries at the start of open enrollment each year. For self-insured benefits, the employer is responsible for preparing the SBC content. For fully insured benefits, the insurance company is responsible for preparing the SBC content. If you have a fully-insured plan, check with your insurance carrier or broker to make certain they are preparing the SBC and Glossary. In May 2013, the U.S. Departments of Labor, Health and Human Services, and the Treasury released a new template for the SBC notice. The new template is to be used with respect to enrollments or re-enrollments in health coverage that begins on or after **January 1, 2014**. The SBC template can be found in the Forms & Documents Section of HR411.
- **Evaluate SHOP.** The ACA created the Small Business Health Options Program (SHOP Marketplace), where employers with 50 or fewer full-time (or equivalent) employees can find, compare, and purchase health plans beginning October 1, 2013. Small employers can look up their Marketplace by visiting Healthcare.gov. Participation in the SHOP is strictly voluntary. Eligible employers will be able to choose the coverage they offer as well as how much they want to contribute. Employers that are interested in SHOP can prepare now by compiling a list of employees (including each employee’s date of birth), determining a health insurance budget, and setting a target date for coverage

to commence. Note that unless your company meets the minimum employee participation rate in your state (70 percent in many states), your company will only be able to purchase a SHOP plan from November 15 to December 15, so plan accordingly.

An effective open enrollment program can help to educate employees on your benefits program, encourage good enrollment decisions, and increase employee morale.

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