



EBN 2011

Covering all bases:
**Preparing for open
enrollment, part 1**

link to coverage through COBRA continuation may be the more desirable option. Furthermore, in the future, employers will need to make sure their COBRA plans comply with Affordable Care Act requirements such as the minimal essential coverage provision and be able to explain the coverage options appropriately so that an informed decision is made.

NOTICE THE NOTICES

Open enrollment often focuses on answering two basic questions: What's changing, and how much will it cost? Unfortunately, a third question is sometimes overlooked: What notices are required? The following list describes documents that should be in the open enrollment packet.

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1. Medicare Part D Notification

Employers offering a prescription drug benefit must notify all Medicare participants whether that coverage constitutes "creditable" or "non-creditable." To avoid overlooking anyone, employers should send this notice to all participants receiving a prescription benefit. The annual deadline has typically been before November 15, based on the Medicare Part D annual enrollment period that began on Nov. 15. Please note that §3204 of the health care reform law known as the Patient Protection and Affordable Care Act changed this period to start on Oct. 15.

2. Women's Health and Cancer Rights Act (WH-CRA)

This notice must go to all participants describing required mastectomy-related benefits. Timing is at enrollment, but annually thereafter.

3. Summary Plan Description/Summary of Material Modifications

The open enrollment period is an opportune time to provide summary plan descriptions due to changes in design, eligibility or recent laws. An example of a recent law change is the ACA now considers over-the-counter medicines as ineligible reimbursements under Health FSA and HRA plans. All ERISA plans -- including major medical, dental and vision plans -- are subject to the SPD requirement. Any material modifications must be communicated through a Summary of Material Modifications.

4. Patient Protection Disclosure Notice

Employers must notify participants of their right to designate any primary care provider who participates in the network. This designation right also extends to pediatric and OB-GYN doctors. This notice must be given when SPDs or SMMs are distributed.

5. Grandfathered Plan Notice

Employers must send a Grandfathered Health Plan Status Disclosure to all participants if they are maintaining the plan's grandfathered status. A grandfathered plan is one that was in effect on March 23, 2010, and has not undergone any of the major plan design changes that would cause it to lose such status. Grandfathered

plans avoid many of the PPACA changes.

6. COBRA Open Enrollment Notification:

Do not forget about COBRA qualified beneficiaries, who have the same rights as similarly situated active employees. Include these groups on the open enrollment distribution list:

- Possible electees (not yet elected)
- Electees (elected but not yet paid)
- Continuees (elected and paid)

Communicating rate changes is especially important because COBRA rates must be fixed and computed prior to the start of the 12-month determination period and can change only in limited situations.

7. Explanation of Coverage Document

The ACA requires a new annual notice. Employers may want to provide it at open enrollment time, even though the effective date is March 23, 2012. Details on the Explanation of Coverage will be provided throughout 2011 in the form of regulations and other guidance.

In summary, don't reduce the open enrollment stack too much. Some important notifications are in there.

TARGETED WEBINARS BOOSTED FSA ENROLLMENT

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We historically have had low enrollment in our FSA plan, now in its 4th year. We typically have offered the information about it along with all the information of the health plan changes at our annual open enrollment meetings. My fear for the 2011 open enrollment was that, with OTC drugs no longer being covered, we would lose more participants than we would gain.

So, I suggested to our benefits consultants that we separate out the information sessions on the FSA in order to prevent it from getting lost in the anxiety of open. We decided to schedule a week of webinars approximately three weeks prior to our official open enrollment period which had the sole purpose of providing information on the FSA plans that we offer and what the advantages are for employees who participate.

We ran the webinars at various times during the day -- morning, afternoon and evening -- so employees could participate when it was convenient for them, whether from home or their workplace. The webinars were interactive, so employees could ask questions regarding anything they did not understand or with regards to their own personal situation. Employees who were unable to attend could still have a copy of the PowerPoint presentation emailed to them or view it on our organization's intranet. They were also directed to our FSA administrator's website for additional information regarding what was eligible for reimbursement and to use an on-line calculator to figure what their anticipated eligible expense would be.

I am happy to say that the feedback from the employees was very positive and participation in the FSA plans

increased by approximately 15%. We have decided to make the webinars an annual part of the OE process.

DON'T LIMIT FSA PROMOTION TO OE

FSA participation can also be increased by utilizing a well-planned campaign throughout the year. While employees can only sign up to take advantage of an FSA during the annual open enrollment period, communications to promote participation should begin well in advance of the enrollment period itself, and increase in frequency as the enrollment deadline approaches. For example, a monthly FSA message could begin six months out for three cycles, followed by a bi-weekly frequency for two months, and finally a weekly message in the final month. For example:

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- Include FSA reminders in all "qualified status change" communications;
- Send re-enrollment reminders to current participants;
- Empower your HR managers by ensuring they are equipped with FSA information;
- Incorporate FSAs into benefit fairs by asking medical, dental, and vision reps to offer FSA reminders when discussing out-of-pocket expenses; and
- Mention FSAs when out-of-pocket costs are communicated (i.e., callouts in benefits guide) using lifestyle scenarios that employees can identify with.

WHEN IT'S BAD NEWS, MANAGE EXPECTATIONS

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How do you introduce major benefit changes without disrupting the organization and ruining employee morale? With the following seven tips, you can help employees accept the situation and understand why the changes are needed.

Be honest. In this economy, employees understand when costs become more than a company can absorb, resulting in plan changes and/or increased premiums.

Call on leaders to lead. Leaders must be visible and "on message" regarding benefit changes. This requires periodic briefings about the changes and key talking points for leaders so the messages are consistent. Employee opinion leaders can also help your organization through major benefit changes. Once they understand and buy into the changes, they can provide valuable support.

Link your actions to the business. It isn't enough to just say benefits are changing. Remind employees how these actions make the company -- and their jobs -- stronger.

Understand context. Know what other company messages your employees have heard lately. Your message must fit logically into the context of these.

Sequence your message carefully. How you sequence your message makes a big difference in how employees