

PROVIDING THE BENEFITS BALANCE™

Important Information Regarding Annual Notice Requirements

This communication is a reminder of the annual notices that must be provided to plan participants and employees. For health plans with a calendar year plan year, plan sponsors typically include these notices with open enrollment materials. For health plans with a plan year other than a calendar year, the notices may be distributed during the next open enrollment period, unless otherwise noted below. All notices were created in Microsoft Word to enable you to customize them with the name of your health and welfare plan and any specific details regarding your plan.

- **Employer-Sponsored Wellness Programs**

Generally, as part of the wellness program rules under the federal Americans with Disabilities Act, employers that offer wellness programs that collect employee health information are required to provide a notice to employees informing them (1) what information will be collected, (2) how it will be used, (3) who will receive it, and (4) what will be done to keep it confidential. The requirement to provide the notice takes effect as of the first day of the plan year that begins on or after January 1, 2017, for the health plan year an employer uses to calculate any incentives it offers as part of the wellness program. Employees must receive the notice before providing any health information, and with enough time to decide whether to participate in the program. **Therefore, we recommend providing the notice along with open enrollment materials. This notice requires some degree of customization tailored to your unique wellness program. If you require assistance, please consult with your MedCost Benefit Services Account Manager for assistance in completing your notice.**

- **Notice of Nondiscrimination and Accessibility**

The nondiscrimination rules under section 1557 of the Affordable Care Act (ACA) require all covered entities to post a notice of consumer civil rights. For a determination of your organization's status as a covered entity under the ACA for purposes of section 1557, please consult with your legal counsel. Generally, in accordance with U.S. Department of Health and Human Services' (HHS) Nondiscrimination Rule, a health plan that receives federal financial assistance from HHS is required to post a notice regarding its nondiscrimination policies. The notice must be available to beneficiaries, enrollees, applicants and members of the public, and must be included in significant communications, conspicuous physical locations and on the health plan's website. Covered entities with 15 or more employees are also required to have a civil rights grievance procedure and an employee designated to coordinate compliance. **The Rule was effective as of October 17, 2016, and the notice should be included in all significant publications as described in the Rule.**

- **Women's Health and Cancer Rights Act**

Group health plans are required to provide a written notice annually to each plan participant regarding the coverage required by this federal mandate. A separate notice must be furnished to each plan participant who has a different last known address than the covered employee. **We recommend that the annual notice be provided no later than January 31, 2018**, for the plan year January 1 - December 31, 2018.

- **Notice of Privacy Practices**

The Health Insurance Portability and Accountability Act (HIPAA) requires that each plan participant receive a Notice of Privacy Practices from the Plan at least once every three years. The enclosed Notice of Privacy Practices is based on a model notice that meets the requirements of the HIPAA privacy provisions. If your Plan has its own customized Notice, you should issue your own notice. **To simplify recordkeeping of when such notices were distributed, we recommend distributing the notice to all plan participants annually.**

- **Children's Health Insurance Program Reauthorization Act**

This act requires that a notice be provided to all benefit eligible employees on an annual basis. The notice, which was updated in August 2017, may be included with other health plan materials, but should appear separately so that employees understand its significance. **We recommend that the annual notice be provided along with annual enrollment materials or no later than the first day of your plan year.**

- **Health Insurance Marketplace Coverage Options**

Employers to which the Fair Labor Standards Act applies must provide a notice of coverage options to each employee, regardless of enrollment status or of part-time or full-time status. The notice must be given to each new employee upon hiring, and may be included with other materials, but should appear separately so that employees understand its significance. **We recommend including the notice with open enrollment materials each year.**

- **Creditable/Non-Creditable Prescription Drug Coverage**

You will receive a separate communication from the MedCost Compliance Department that provides an assessment regarding whether your prescription drug coverage is creditable or non-creditable. The Centers for Medicare and Medicaid Services (CMS) require that the appropriate Notice of Creditable or Non-Creditable Prescription Drug Coverage be issued annually to all Medicare eligible plan participants prior to the annual open enrollment period for Medicare Part D Prescription Drug Coverage. This year the annual open enrollment period is from October 15 - December 7, 2017. **Therefore, for the calendar year 2018, you need to issue the notice prior to October 15, 2017.** Be sure to fill in the highlighted sections with information about your plan. **(Notices to be provided in a separate communication.)**

- **Creditable Coverage Disclosure to CMS**

Group health plans that provide prescription drug coverage to Medicare eligible plan participants must also submit a Creditable Coverage Disclosure to CMS on an annual basis and upon any change that affects whether the drug coverage is/is not creditable. This notice **must be submitted within 60 days after the beginning date of the plan year for which the entity is providing**

the disclosure. (Example: For a plan year of January 1 - December 31, 2018, the disclosure would be due by February 28, 2018.)

If you have any questions regarding the contents or the requirements of these model notices, please contact the MedCost Compliance Department or your MedCost Benefit Services Account Manager.

