

A group of diverse business professionals are gathered around a table in a meeting. A man with glasses and a beard is smiling and gesturing with his hands. A woman with long dark hair is also smiling. Other people are visible in the background, some looking at a laptop. The setting appears to be a modern office with a brick wall.

2025 Open Enrollment Checklist

Presented by LFG Benefits

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Note on Employee Disclosures

- Inform employees of any plan changes ahead of open enrollment.
- Disclose changes using:
 - A summary plan descriptions (**SPD**) or;
 - A summary of material modifications (**SMM**)

Meeting Topics

- Plan Design Changes
- Open Enrollment Notices
- Wellness Program Notices
- Additional Resources





Plan Design Changes

ACA Affordability Standard

For applicable large employers (ALEs):

- “Pay or play” rules still in effect
- Affordability percentages
 - 2024 plans: **8.39%**
 - 2025 plans: Not released yet



ACA Affordability Standard – Action Steps

- ALEs should monitor future development for the IRS' release of the affordability percentage for 2025.
- ALEs should confirm that at least one of the health plans offered to full-time employees satisfies the ACA's affordability standard.

Out-of-Pocket Maximum

2025 limits:

- **\$9,200** for self-only coverage
- **\$18,400** for family coverage





Out-of-Pocket Maximum – Action Steps

- Review plans to ensure compliance with 2025 limits.
- HDHPs with HSA compatibility must be lower than 2025 limits:
 - **\$8,300** for self-only coverage
 - **\$16,600** for family coverage



Preventive Care Benefits

- Non-grandfathered plans must cover certain services without cost sharing (e.g., deductibles, copayments and coinsurance).



Preventive Care Benefits – Action Steps

- Confirm plans cover the latest recommended preventive services.
- Visit [HealthCare.gov](https://www.healthcare.gov) for more details.



Health FSA Contributions

- Health flexible spending account (FSA) limits:
 - 2024: **\$3,200**
 - 2025: Not released yet



Health FSA Contributions – Action Steps

- Monitor for the release of the 2025 health FSA limit.
- Ensure plan compliance with 2025 limits.
- Disclose any changes to employees.

HDHP and HSA Limits for 2025

Type of Limit		2024	2025	Change
HSA Contribution Limit	Self-only	\$4,150	\$4,300	Up \$150
	Family	\$8,300	\$8,550	Up \$250
HSA Catch-up Contributions (not subject to adjustment for inflation)	Age 55+	\$1,000	\$1,000	No change
HDHP Minimum Deductible	Self-only	\$1,600	\$1,650	Up \$50
	Family	\$3,200	\$3,300	Up \$100
HDHP Maximum Out-of-pocket Expense Limit (deductibles, copayments and other amounts, but not premiums)	Self-only	\$8,050	\$8,300	Up \$250
	Family	\$16,100	\$16,600	Up \$500



HDHP and HSA Limits – Action Steps

- Adjust plan cost sharing limits as needed.
- Communicate changes to employees.



HDHPs: Expiration of Design Options

- An HDHP is no longer permitted to provide benefits for **COVID-19 testing and treatment** without a deductible.
- An HDHP is no longer permitted to provide benefits for **telehealth or other remote care services** before plan deductibles have been met.



HDHPs: Expiration of Design Options – Action Steps

- Confirm that HDHPs will not pay benefits for COVID-19 testing and treatment before the annual minimum deductible has been met.
- Confirm that HDHPs will not pay benefits for telehealth or other remote care services (except for preventive care benefits) before the annual minimum deductible has been met.
- Notify plan participants of any changes for the 2025 plan year regarding COVID-19 testing and treatment and telehealth services through an updated SPD or SMM.

Mental Health Parity

Mental Health Parity and Addiction Equity Act (MHPAEA):

- MHPAEA requires health plans and issuers to conduct comparative analyses of the nonquantitative treatment limitations (NQTs) used for medical/surgical benefits compared to mental health or substance use disorder benefits.
- Plans and issuers must make their comparative analyses available upon request. In recent years, the DOL has made MHPAEA compliance a top enforcement priority, with a primary focus being MHPAEA's parity requirements for NQTs.



Mental Health Parity – Action Steps

- Confirm that comparative analyses of NQTLs will be updated, if necessary, for the plan year beginning in 2025.

Prescription Drug Benefits

- The Inflation Reduction Act of 2022 includes several cost-reduction provisions affecting Medicare Part D plans, which may impact the creditable coverage status of employer-sponsored prescription drug coverage beginning in 2025.
 - For example, effective for 2025, Medicare enrollees' out-of-pocket costs for prescription drugs will be capped at \$2,000.
- Employers that provide prescription drug coverage to individuals who are eligible for Medicare Part D must inform these individuals and the Centers for Medicare and Medicaid Services (CMS) whether their prescription drug coverage is creditable.
- CMS previously stated that the “simplified determination” method would no longer be valid as of 2025; however, it will continue to permit the use of the methodology, without modification, for calendar year 2025.




Prescription Drug Benefits – Action Steps

- Confirm whether their health plans' prescription drug coverage for 2025 is creditable or noncreditable as soon as possible to prepare to send the appropriate Medicare Part D disclosure notices.
- Continue to utilize the simplified determination method for determining whether prescription drug coverage is creditable for 2025, if applicable.



Open Enrollment Notices



Summary of Benefits and Coverage (SBC)

- Health plans and issuers are required to use the SBC template provided by federal agencies.
- Employers should include an updated SBC with open enrollment materials.
- **Self-funded plans:** Plan sponsor is responsible for SBC distribution.
- **Insured plans:** The issuer usually prepares the SBC.



Medicare Part D Notices

- Notice of creditable or non-creditable prescription drug coverage to Medicare Part D-eligible individuals
- Must be given to participants upon enrollment and each year prior to **Oct. 15** (Medicare annual open enrollment)



Annual CHIP Notices

Children's Health Insurance Program (CHIP):

- Group health plans must send an annual CHIP notice about the available assistance to all employees residing in that state.
- Employers should confirm that they're using the most recent model notice.



Initial COBRA Notices

Consolidated Omnibus Budget Reconciliation Act (COBRA):

- Applies to employers with 20+ employees that sponsor group health plans.
- COBRA notice must be given to new participants within 90 days after coverage begins.



Summary Plan Descriptions (SPDs)

- Provided within 90 days after plan coverage begins
- Must be updated with any new plan changes



Notice of Patient Protections

- For plans requiring designation, plan participants may designate any available primary care provider.
- If designation is required, a notice must be included in benefits documentation.



Grandfathered Plan Notices

- Grandfathered status must be noted in plan materials.
 - e.g., SPDs and open enrollment documents



Notice of HIPAA Special Enrollment Rights

Health Insurance Portability and Accountability Act (HIPAA):

- Notice must be given to participants **before** or **at** the time of group health plan enrollment.



HIPAA Privacy Notice

- Notice must be given to new enrollees at the time of enrollment.
- Self-insured health plans are required to maintain and provide their own Privacy Notices.
- Fully insured plans have their own rules (*following slide*).

Special HIPAA Privacy Notice Rules for Fully Insured Plans

- If the sponsor of a fully insured plan has access to protected health information (PHI) for plan administrative functions, **it is required** to maintain a Privacy Notice and to provide the notice upon request.
- If the sponsor of a fully insured plan does not have access to PHI for plan administrative functions, **it is not required** to maintain or provide a Privacy Notice.

Self-insured plans

Must maintain and provide their own Privacy Notices

Fully insured plans

Health insurance issuers have primary responsibility for Privacy Notices



WHCRA Notices

Women's Health and Cancer Rights Act (WHCRA):

- Notice of participants' rights to mastectomy-related benefits



Summary Annual Report (SAR)

- Applies to plan administrators who file Form 5500



ICHRA Notices

Individual coverage health reimbursement arrangements (ICHRA):

- Employers may use to reimburse eligible employees for insurance policies purchased in the individual market or for Medicare premiums.
- Employers with ICHRAs must provide a notice to eligible participants at least 90 days before the beginning of each plan year.



Wellness Program Notices



HIPAA Wellness Program Notice

- Notice is required for health-contingent wellness programs that are offered under group health plans.
 - e.g., a program that rewards employees for not smoking
- The notice must disclose the availability of a reasonable alternative standard to qualify for the reward.



Americans with Disabilities Act (ADA) Wellness Program Notice

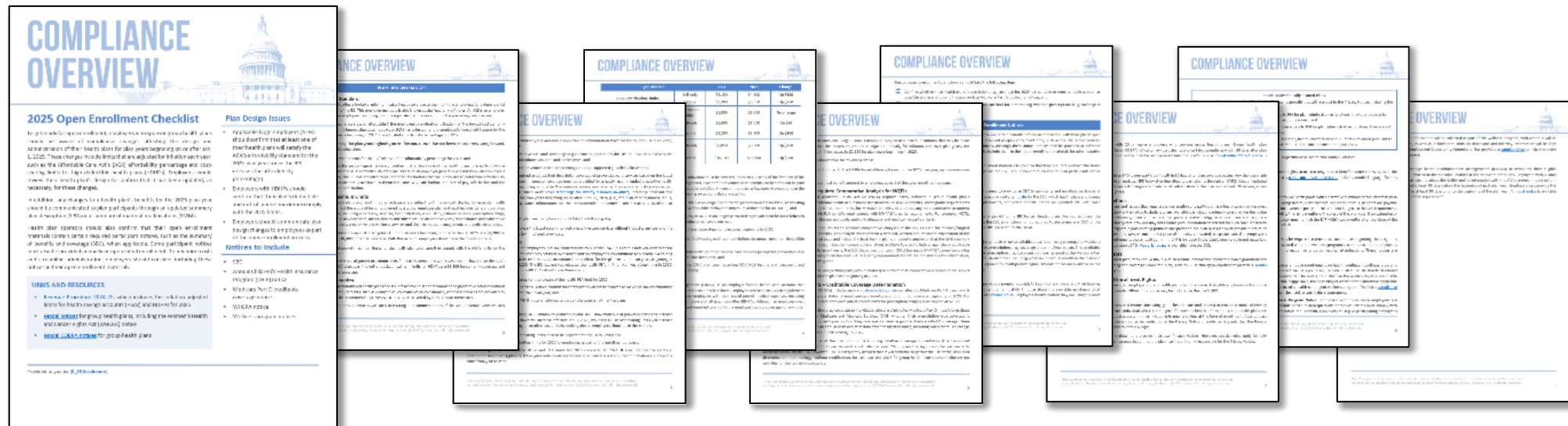
- Employers with 15+ employees are subject to ADA.
- Wellness programs that include health-related questions or medical exams subject to ADA notice requirements.



Additional Resources

For More Information

- Reach out for a print version of the **2025 Open Enrollment Checklist**.
- It includes links to model notices and other government resources.



Questions?