

A group of diverse business professionals are gathered around a table in a modern office setting. A man with glasses and a beard is smiling and gesturing with his hands while talking to a woman with long dark hair. Other people are visible in the background, some looking at laptops, creating a collaborative and positive work environment.

2027 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
 - 2026 plans: 9.96%
 - 2027 plans: **not released yet**



ACA Affordability Standard – Action Steps

- Monitor the IRS' release of the affordability percentage for 2027.
- Review the IRS' affordability safe harbors and select the most appropriate option(s), considering each safe harbor's level of predictability and ability to maximize employee contributions.
- Confirm that at least one of the health plans offered to full-time employees satisfies the ACA's affordability standard using one or more of the safe harbors once the affordability percentage is released.

Out-of-Pocket Maximum

2027 limits:

- **\$12,000** for self-only coverage
- **\$24,000** for family coverage





Out-of-Pocket Maximum – Action Steps

- Review plans to ensure compliance with 2027 limits.
- Determine if the OOPM for family coverage is greater than the ACA's OOPM for self-only coverage (**\$12,000** for 2027 plan years).
 - If it is greater, make sure the health plan embeds an individual OOPM for family coverage that is not more than \$12,000.
- If the health plan is an HDHP, confirm that it complies with the lower limits on OOPMs. For the 2027 plan year, the OOPMs for HDHPs are **\$8,700** for self-only coverage and **\$17,400** 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 care services without imposing any cost sharing when the care is provided by in-network providers.

HDHP and HSA Limits for 2027

Type of Limit		2026	2027	Change
HSA Contribution Limit	Self-only	\$4,400	\$4,500	Up \$100
	Family	\$8,750	\$9,000	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	\$1,700	\$1,750	Up \$50
	Family	\$3,400	\$3,500	Up \$100
HDHP Maximum Out-of-pocket Expense Limit (deductibles, copayments and other amounts, but not premiums)	Self-only	\$8,500	\$8,700	Up \$200
	Family	\$17,000	\$17,400	Up \$400



HDHP and HSA Limits – Action Steps

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



Health FSA Contributions

- Health flexible spending account (FSA) limits:
 - 2026: \$3,400
 - 2027: **not released yet**



Health FSA Contributions – Action Steps

- Monitor for the release of the health FSA limit for 2027.
- Ensure compliance for the 2027 plan year (once the limit is released).
- Disclose any changes to employees.



EBHRA Limit

- Only employers can contribute to HRAs, including excepted benefit health reimbursement arrangements (EBHRAs).
- EBHRAs are subject to a maximum amount that may be made newly available for the plan year.
 - 2026: \$2,200
 - 2027: **\$2,250**



EBHRA Limit – Action Steps

- Decide how much will be contributed to the EBHRA for eligible employees for the 2027 plan year, up to a maximum of \$2,250.
- Communicate the EBHRA's annual benefit amount to employees as part of the open enrollment process.



Wellness Surcharges/Rewards

- Health plans that impose a surcharge (or provide a reward) based on a health-related standard (e.g., not using tobacco or meeting a specific exercise target) must comply with HIPAA's nondiscrimination requirements.
- Health-contingent wellness programs must provide a reasonable alternative standard for qualifying for the full reward (or avoiding the surcharge) and must disclose the alternative standard in all plan materials describing the surcharge or reward.



Wellness Surcharges/Rewards – Action Steps

- Decide whether to impose a surcharge (or provide a reward) based on any health-related standard
- If a surcharge is imposed (or a reward offered), ensure it is provided through a wellness program that satisfies HIPAA's nondiscrimination requirements, including explaining to participants that a reasonable alternative standard is available for avoiding the surcharge (or qualifying for the reward).

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 (NQTLs) 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 2024, federal agencies released a [final rule](#) under MHPAEA that would have imposed stricter standards for comparative analyses for the plan year beginning in 2026.
 - Enforcement of this final rule has been [put on hold](#) by the Trump administration. Although the final rule's requirements are not being enforced, MHPAEA's statutory requirement to conduct comparative analyses remains in effect.



Mental Health Parity – Action Steps

- Confirm that comparative analyses of NQTLs will be updated, if necessary, for the plan year beginning in 2027.

Fertility Benefits

- Employer-provided fertility benefits are experiencing significant growth, fueled by rising employee demand, new federal regulatory initiatives and expanding state insurance mandates.
- In May 2026, federal agencies [proposed](#) a new category of limited excepted benefits that employers could use to offer fertility benefits. The proposal builds on the federal government's October 2025 [guidance](#), which clarified that employers may offer fertility benefits through three existing excepted benefit pathways: a fully insured independent, noncoordinated excepted benefit policy; an EBHRA; and an employee assistance program offering coaching and navigator services.
 - If finalized, the proposed changes would apply for plan years beginning on or after Jan. 1, 2027, although federal agencies have requested feedback on whether the proposed changes should be applicable sooner.



Fertility Benefits – Action Steps

- Contact issuers or TPAs to understand available options for adding (or expanding) fertility coverage under their current group health plan and to determine what limitations or parameters should apply.
- Explore standalone coverage options for fertility benefits, such as through an HRA or health FSA, or as an excepted benefit.
- Stay current on federal developments regarding proposed expansions of fertility benefit coverage options.



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 Notices

- 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 Reports (SARs)

- 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 **2027 Open Enrollment Checklist**.
- It includes links to model notices and other government resources.



Questions?