Benefits BRIEF

THE LBL GROUP

2022 Open Enrollment Checklist

• September 2021 •

(updated November 11, 2021)

For employers operating their group health and welfare plans beginning on or after Jan. 1, 2022, now is the time of the year to prepare for open enrollment. Typically, the focus is on evaluating the services and performance of vendors, renewing rates, and considering design changes. In addition to these items, employers need to address various legal requirements. This Benefits Brief provides a checklist that covers these requirements for the 2022 plan year.

Inflation Adjustments in Annual Limits

Several annual limits apply to health and flex plans which may be adjusted each year for changes in the cost-of -living. The new amounts should be considered upon renewal.

	2022	2021
Health Plans *(Excluding HDHPs & Grandfathered Plans)*		
Annual Out-of-Pocket Maximum		
Single Coverage	$8,700	$8,550
Family Coverage	$17,400	$17,100
High Deductible Health Plans (HDHP)		
Minimum Deductible		
Single Coverage	$1,400	$1,400
Family Coverage	$2,800	$2,800
Annual Out-of-Pocket Maximum		
Single Coverage	$7,050	$7,000
Family Coverage	$14,100	$14,000

	2022	2021
Health Savings Accounts (HSA)		
Maximum Annual Contribution		
Individual Coverage	$3,650	$3,600
Family Coverage	$7,300	$7,200
Age 55 Catch-Up Contributions	$1,000	$1,000
Flexible Spending Accounts (FSA)		
Maximum Annual Contribution		
Medical	$2,850	$2,750
Dependent Care	$5,000	$5,000

The above limits are all required to be followed except in the case of the medical FSA limit which is optional (employers can set a lower limit). There are a couple of items to highlight such as the maximum out-of-pocket limit for non-grandfathered health plans. First, the limit can be divided so a portion applies to the medical benefit and a portion applies to the prescription drug benefit. This may be needed if the plan has separate medical and prescription drug administrators. Second, if a plan has a family maximum out-of-pocket that is greater than the individual maximum out-of-pocket, there must be an embedded individual maximum out-of-pocket within the family limit so that no individual is subject to a maximum out-of-pocket greater than the individual amount. For an HDHP, however, the embedded maximum out-of-pocket can't be less than the minimum family deductible for HDHPs.

Preventive Care Benefits

Non-grandfathered plans must cover certain preventive care benefits at 100% with no participant cost-sharing. The list of required preventive care items is updated periodically on the Healthcare.gov website. Employer group health plans must include any new items by no later than the beginning of the first day of the plan year starting one year after any new guidelines or recommendations are issued. For example, employer group health plans operating on a calendar year must offer the following new preventive care items with no participant cost-sharing as of January 1, 2022:

- **Statins.** Statins for certain adults aged 40 to 75 years to prevent and treat cardiovascular disease.
- **Unhealthy Alcohol Use.** Adults 18 years or older, including pregnant women, should be screened for unhealthy alcohol use and be provided with brief behavioral counseling interventions if engaged in hazardous drinking.
- **Aspirin.** Aspirin for certain adults aged 50 to 59 years to prevent cardiovascular disease and colorectal cancer.
- **Obesity Screening and Counseling.** Adults with a body mass index of 30 or higher should be referred or offered interventions.
- **Expanded Cervical Cancer Screenings.** Expanded screenings in more situations to align with USPSTF guidelines.
- **Osteoporosis Screening.** The USPSTF recommends screening for osteoporosis for some women 65 years and older and women younger than 65 years at increased risk of osteoporosis.
- **Extension of Certain Well-Women Services.** Extension of certain well-women services for adolescents.
- **Skin Cancer Behavioral Counseling.** Counseling regarding the minimizing of exposure to UV radiation for persons aged 6 months to 24 years with fair skin types to reduce their risk of skin cancer.

For the full list of required services, visit US Preventive Services Task Force and Healthcare.gov.

Annual Participant Notices

As you prepare the open enrollment materials do not forget about the required participant notices which must be furnished annually.

- **Notice of Grandfathered Status.** Plans that were in effect prior to the enactment of the ACA in 2010 are exempt from some of the insurance market reforms as long as they retain "grandfathered plan" status (that is, plans that have existed without major changes to their provisions since March 23, 2010, the date of the ACA's enactment). If your plan is still grandfathered, a notice of grandfathered status must be included in SPDs and other plan materials such as annual open enrollment materials. DOL's Sample Notice

- **Summary of Benefits and Coverage.** The SBC is intended to provide information in a prescribed format to participants so they can easily compare the information to other plans for which they may be eligible, including coverage on the exchange. A template SBC is available on the DOL website. DOL's SBC Template & Instructions

- **Women's Health and Cancer Rights Act.** Each year participants must receive a summary of a health plan's coverage for mastectomies and breast reconstructive services. DOL's Sample Notice

- **Medicare Part D Notice of Creditable or Non-Creditable Coverage.** This annual notice must be provided before October 15th to any participant who is eligible for Medicare Part D prescription drug coverage along with any qualified beneficiaries. This includes COBRA participants, retirees, and their dependents and Medicare-eligible employees and their dependents. Since it is difficult for most employers to determine who should receive the notice, providing the notice to all employees facilitates compliance. CMS' Sample Notices

- **HIPAA Notice of Privacy Practices.** Enrolled employees must be notified at least once every three years that they may request a new copy of the HIPAA notice of privacy practices. Alternatively, the notice can be reissued at least once every three years. An easy way to comply with this requirement is to notify participants annually, at open enrollment, that they may request a new copy of the notice at any time, free of charge, by contacting Human Resources. HHS' Sample Notices

- **CHIP Notice.** Most states provide premium assistance subsidies under Medicaid or CHIP to help low-income individuals pay for employer coverage. The CHIP notice explains the subsidies. Employees who are eligible for employer health coverage must be provided with the CHIP notice annually if the employer maintains a group health plan in a state that provides premium assistance subsidies under Medicaid or CHIP. The CHIP notice is updated twice a year, and before distributing the notice, employers should check the DOL website for any revisions. DOL's Sample Notice

- **Wellness.** If the employer offers a wellness program that is subject to the HIPAA/ACA wellness program rules and/or the ADA/GINA wellness program rules, there are participant notice requirements which must be satisfied annually, as well as when the wellness program is first rolled out. ADA's Model Notice DOL's Model Disclosure

ADDITIONAL RESOURCES

Revenue Procedure Provides 2022 Adjusted Amounts for FSAs:

Revenue Procedure 2021-45

Revenue Procedure Provides 2022 Adjusted Amounts for HSAs:

Revenue Procedure 2021-25

HHS Released Cost Sharing Limits for 2022:

86 FR 24140

Reporting and Disclosure Guide for Employee Benefit Plans:

DOL Resource Center Publication