



legislativeUPDATE

July 25, 2014

Notice Requirements for Employers Reducing or Eliminating Coverage

The Department of Labor (DOL) released a [Frequently Asked Question](#) related to recent changes in the contraceptive coverage mandate under the Affordable Care Act (ACA). This FAQ addressed the recent U.S. Supreme Court ruling which provided for an exemption from ACA's contraceptive coverage requirement for closely held for-profit corporations with religious objections to providing certain contraceptives. See our recent [Update](#) for more information on the ruling. The FAQ outlines notification rules for employers that plan to discontinue providing contraceptive coverage to employees as permitted by the Court's ruling.

The Preventive Care Guidelines. The ACA requires non-grandfathered health plans to comply with certain preventive care guidelines for women, effective for plan years beginning on or after August 1, 2012. Special rules apply for certain religious and non-profit employers. Guidelines require covered non-grandfathered health plans to cover women's preventive health services, including contraceptive methods, without charging a copayment, a deductible, or coinsurance. Under the guidelines, plans must cover all FDA-approved contraceptive methods, sterilization procedures, and patient education and counseling for all women with reproductive capacity.

The Notice Requirements. The FAQ specifically provides that if a closely held for-profit company will cease providing coverage for some or all contraceptive services mid-year (as permitted by the Supreme Court ruling), it has to follow the ACA notice requirements for plan changes. For plans subject to the Employee Retirement Income Security Act (ERISA), disclosure of information relevant to coverage of preventive services, including contraceptive coverage, is required. Specifically, the DOL's longstanding rules provide that the summary plan description (SPD) must include a description of the extent to which preventive services (which includes contraceptive services) are covered under a plan. If an ERISA plan excludes all or a subset of contraceptive services from coverage under its group health plan, the plan's SPD must describe the extent of the limitation or exclusion of coverage.

For plans that reduce or eliminate coverage of contraceptive services after having provided such coverage, expedited disclosure requirements under existing rules for material reductions in covered services or benefits apply. ERISA generally requires disclosure no later than 60 days after the date of adoption of a modification or change to the plan that is a material reduction in covered services or benefits. Other disclosure requirements may also apply, for example, under State insurance law applicable to health insurance issuers.

Should you have questions regarding the notice requirements or any other area of compliance,

please contact your Conner Strong & Buckelew account representative. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, please visit our online [Resource Center](#).



connerstrong.com



877-861-3220



news@connerstrong.com



[Change My Preferences](#)

CONNER
STRONG &
BUCKELEW

INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS

[in](#)

[Click here to change your email preferences or unsubscribe from all communication.](#)