



SMALL BUSINESS HEALTH PLAN COMPLIANCE CHECKLIST

1. EMPLOYEE NOTIFICATION AND EMPLOYEE ACCESS

- Determine whether written notification to employees is required or is simply a good business practice. Recognizing the distinction helps set the best procedural protocol.
- If notification is required, determine whether copies and records of proof of delivery are maintained and available for reproduction.
- Determine whether the health plan meets non-discrimination requirements in eligibility and benefits.
- Ensure that employees have easy access to an internal HR representative, or a service like [OnlineNavigator](#) with a health plan adviser who can provide assistance with health plan questions.

2. COVERAGE OPTIONS AND PLAN DESIGN

- Is employee choice offered? If so, which option is the benchmark plan for compliance testing?
- Determine whether benchmark plan coverage meets minimum essential benefit requirements, meets grandfathered requirements or is exempt from this requirement.
- Evaluate how employees will cover insurance policy deductibles and co-payments. Is HSA, HRA or FSA offered?
- Determine whether supplemental coverage is available to executives or all employees and whether this coverage can be offered on an employer-paid pre-tax basis or through salary reduction election.
- Determine what non-insurance coverage options are available and how they interact with insurance.

3. PLAN DOCUMENTS

- Locate the written Plan Document and Summary Plan Description. Determine whether these are updated for the current year. How are these accessible on demand?
- Determine whether copies of the Summary Plan Description have been distributed to employees. Are delivery records maintained?
- Evaluate whether the Summary Plan Description is in a plain language or Q&A format that helps employees understand the important points of the health plan and their coverage options

4. COST CONTROLS AND EXCISE TAXES

- Determine how future cost increases are allocated between the employer and the employee and whether this allocation agrees with cash flow forecasts of the business.
- Determine whether the employer and the employees are maximizing the opportunity to pay health care costs on a pre-tax basis and utilize individual or group insurance tax credits.
- If the employer reimburses employees for medical expenses other than an approved integrated plan, estimate the excise tax penalties and make sure wage taxes were paid on the reimbursements
- Review "[Checklist of cost-saving strategies for small businesses](#)" for other cost control possibilities.

This checklist is meant for small businesses that are not subject to the shared responsibility provisions of the Affordable Care Act. A separate checklist is available for larger firms. The checklist may not be inclusive and does not apply to certain situations like grandfathered plans, some self-insured plans and some small C corporations. For more information, contact Tony Novak, CPA, MBA, MT at (800) 609-0683 x2 or onlineadviser@live.com. "Freedom Benefits", "OnlineAdviser" and "OnlineNavigator" are trademarks of Tony Novak.