

COMPLIANCE BULLETIN

Navigating Health Plan Notice Changes in 2025 and Beyond

Employers should be aware of updates to several model notices that can be used to comply with certain disclosure requirements for their group health plans under federal laws. Federal agencies provide these model notices to aid compliance and periodically update them to reflect changes to the law or the information contained in the notices. While the use of the federal model notices is **optional** for employers—they can choose to prepare their own notices or modify the models to provide more comprehensive information—they should be sure to include at least the minimum information contained in the models.

In addition to newly issued or revised model notices, significant federal court rulings and agency guidance in 2024 and 2025 have invalidated or temporarily suspended certain requirements. These legal developments have reshaped (and in some cases, curtailed) employers' notice obligations. Understanding the impact of these changes is critical for employers to maintain compliance.

This Compliance Bulletin covers:

- Updates and newly issued federal model notices in 2024 and 2025;
- Legal challenges and legislative changes affecting notice requirements; and
- Key compliance areas to monitor for potential future updates to notice requirements.

Action Items

Employers should review updated federal model notices from 2024 and 2025 to ensure their group health plan disclosures remain compliant. They should also stay informed about recent court rulings that have altered or paused certain notice obligations and adjust their compliance practices accordingly. Ongoing monitoring of legal and regulatory developments is essential, as future updates may further impact notice requirements.

Provided to you by **Franconia Insurance & Financial Services**

Recent Updates

- Children's Health Insurance Program (CHIP) Notice
- Sample Plan for Educational Assistance Programs
- Health Insurance Exchange Notice (also referred to as the "Notice of Coverage Options")
- Simplified Affordable Care Act (ACA) Reporting
- Legal challenges that have resulted in rescinding certain notice requirements, such as the fixed indemnity coverage notice

Potential Future Updates

Additional regulatory developments may arise that create new notice obligations for employers sponsoring group health plans, including potential disclosure requirements tied to health care transparency initiatives. Federal agencies have also stated their intention to update the Summary of Benefits and Coverage (SBC) templates and model notices for internal claims and appeals and external review, though no updates have been issued to date.

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New and Updated Model Notices

The following model notices were updated or newly issued by federal agencies in 2024 and 2025 to help employers comply with their disclosure obligations:

CHIP Notice

The Children's Health Insurance Program Reauthorization Act of 2009 imposes an annual notice requirement on employers that maintain group health plans in states that provide premium assistance subsidies under a Medicaid plan or a Children's Health Insurance Plan (CHIP). An employer is subject to this annual notice requirement if its group health plan covers participants who reside in a state that provides a premium assistance subsidy, regardless of the employer's location.

The federal [model notice](#), which employers may use for this disclosure, is updated periodically to reflect changes in the states that offer premium assistance subsidies. The latest model Employer CHIP Notice includes information current as of **July 31, 2025**. It is available in both English and Spanish.

New Sample Plan for Educational Assistance Programs

In 2024, the IRS released a [sample plan](#) to help employers establish a qualified educational assistance program under Section 127 of the Internal Revenue Code. Under Section 127, employers can provide up to **\$5,250 annually** in educational assistance to employees without the benefit being treated as taxable income. Effective for taxable years beginning after 2026, this amount will be adjusted for inflation.

While educational assistance programs have been available for many years to pay expenses such as books, equipment, supplies, fees and tuition, the option to use them to pay for student loans was set to expire on Dec. 31, 2025. However, legislation enacted on July 4, 2025, permanently extends this student loan provision. As a result, employers may continue to use educational assistance programs to pay principal and interest on an employee's qualified education loans. Payments made directly to the lender, as well as those made to the employee, may qualify.

While the sample plan is intended to satisfy the requirements of Section 127 and its accompanying regulations, employers may modify the sample plan and include additional plan provisions, so long as these requirements continue to be satisfied.

Health Insurance Exchange Notices

The Affordable Care Act (ACA) requires employers to provide all new hires with a written notice about the health insurance Exchanges, or Marketplaces. This notice is also referred to as the "Notice of Coverage Options." [Model notices](#) are available for employers who offer a health plan to some or all employees, and employers who do not offer a health plan. Versions are available in English, Spanish and other languages.

After remaining the same for years, both model notices were updated in early 2024. Updates include the affordability threshold for purposes of the ACA's employer shared responsibility rules, information on Exchange special enrollment periods, how the COVID-19 public health emergency affected eligibility for Medicaid and CHIP coverage, and optional information corresponding to the Marketplace Employer Coverage Tool.

Legal Challenges and Legislative Changes to Notice Requirements

In addition to legal developments that updated existing health plan notice requirements, federal courts issued significant rulings in 2024 and 2025 that invalidated or temporarily blocked certain requirements. Although these rulings could be overturned or modified by a higher court, it appears unlikely that the Trump administration will pursue appeals. The



following summarizes key changes to notice obligations and examines the legal changes that have shaped (and in some cases, curtailed) their enforcement.

Simplified ACA Reporting

At the end of 2024, Congress passed two new laws, the [Paperwork Burden Reduction Act](#) and the [Employer Reporting Improvement Act](#), which ease ACA reporting requirements for employers. Under these rules, reporting entities are required to provide information to the IRS about the health plan coverage they offer (or do not offer) to their employees, as well as related statements to individuals regarding their health plan coverage.

The new laws ease ACA reporting requirements for employers as follows:

- **Individual statements only required upon request**—Before 2025, applicable large employers (ALEs) were required to provide each full-time employee with a statement regarding their health coverage (Form 1095-C) within 30 days of Jan. 31 each year. The IRS had allowed non-ALEs with self-insured health plans to provide health coverage statements (Forms 1095-B) to covered individuals upon request only. Beginning in 2025, this flexibility extends to ALEs for furnishing Forms 1095-C. Accordingly, employers are **no longer required to send Forms 1095-B or 1095-C to individuals unless a form is requested**. Employers must give individuals timely notice of this option by posting a clear and conspicuous notice on their website, which must remain accessible through Oct. 15 of the year following the calendar year to which the return relates. Any request must be fulfilled by Jan. 31 of the year following the calendar year to which the return relates or 30 days after the date of the request, whichever is later. This change applies to federal reporting requirements; employers should continue to comply with applicable state reporting requirements;
- **Electronic consent for individual statements**—The legislation clarifies that statements can be provided electronically to individuals if they have affirmatively consented “at any prior time” (unless they have revoked such consent in writing); and
- **Substituting birth dates for taxpayer identification numbers (TINs)**—The legislation confirms that employers may substitute a covered individual’s birth date in lieu of their TIN (though the legislation does not address whether reporting entities are still required to make reasonable efforts to obtain the TIN before doing so).

Fixed Indemnity Coverage Notice

Fixed indemnity coverage is a type of excepted benefit not subject to certain key ACA reforms. The primary purpose of this type of coverage is to provide income replacement benefits rather than comprehensive health coverage. In 2024, federal agencies issued a final rule that imposed a notice requirement for fixed indemnity coverage that was scheduled to be effective for 2025 plan years. Specifically, a consumer notice was required to be provided when offering fixed indemnity excepted benefits coverage in the group market to ensure that consumers could distinguish between this coverage and traditional health coverage.

However, on Dec. 4, 2024, a federal court **struck down this notice requirement**. Also, in January 2025, President Trump rescinded a Biden-era executive order that justified the fixed indemnity notice requirement. As a result, employers and insurers may continue to offer fixed indemnity coverage without the mandated disclosure but should continue to monitor for further legal or policy developments.

ACA Section 1557 Notice Requirements

Section 1557 of the ACA prohibits discrimination based on race, color, national origin, sex, age or disability in certain health programs and activities. The final rule implementing Section 1557, issued in 2024, introduced two notice



requirements and other compliance provisions, with staggered effective dates throughout 2024 and 2025. However, prior to the final rule's effective date, a federal court issued a nationwide injunction blocking enforcement of the provisions related to sex discrimination to the extent they include gender identity. A separate federal court postponed the rule's effective date in its entirety, but only as to Texas and Montana. **As a result, the requirement for covered entities to distribute and post a nondiscrimination notice informing individuals of their civil rights under Section 1557 has been postponed.**

Since the nationwide injunction **did not address the second notice requirement** concerning the availability of language assistance services and auxiliary aids for individuals with limited English proficiency and those with disabilities, it is unclear whether covered entities are currently obligated to provide this notice. Although no formal guidance has been issued, federal agencies have begun rescinding prior guidance related to gender-affirming care and Section 1557, aligning with policies from the Trump administration. Many official webpages and resources have been disabled, signaling a shift toward the more lenient regulatory framework that existed prior to the 2024 final rule, which did not include notice requirements. Covered entities should continue to closely monitor legal developments and federal guidance as the regulatory and judicial landscape evolves.

HIPAA Reproductive Health Attestation

On June 18, 2025, a federal court struck down a final rule to strengthen HIPAA's privacy protections for reproductive health care, which became effective Dec. 23, 2024. Among other things, the final rule required regulated entities to obtain a signed attestation in certain circumstances before disclosing protected health information (PHI) potentially related to reproductive health care. **The court ruling invalidates these attestation requirements and other final rule protections related to reproductive health care on a nationwide basis. However, certain modifications to the HIPAA Notice of Privacy Practices reflecting provisions of the final rule related to substance use disorder treatment records remain in effect and must be implemented by Feb. 16, 2026.** Going forward, regulated entities must continue to comply with HIPAA's general privacy requirements for PHI and any applicable state privacy laws. Employers and other covered entities should review the terms of their HIPAA policies to determine if updates should be made to remove the special rules for reproductive health care.

The Mental Health Parity and Addiction Equity Act (MHPAEA) Fiduciary Certification

A September 2024 final rule mandated that, starting with 2025 plan years, employers with ERISA-covered health plans must ensure their comparative analyses include the required fiduciary certification that they have prudently selected and monitored their service providers. However, on May 15, 2025, federal agencies [announced](#) a **temporary nonenforcement policy for the 2024 final rule**. The announcement relates to a lawsuit brought by an employer trade group seeking to invalidate the final rule. The litigation has been put on hold while the Trump administration reconsiders the final rule, including whether to modify or rescind it altogether. As result, federal agencies will not enforce the 2024 final rule (or otherwise pursue enforcement actions) based on a failure to comply that occurs prior to a final decision in the litigation, plus an additional 18 months. While the new fiduciary certification requirement for comparative analyses of nonquantitative treatment limitations (NQTLs) is not currently being enforced, health plans should continue to comply with MHPAEA's statutory requirements, including maintaining a written comparative analysis of NQTLs and being prepared to provide it upon request.

Key Compliance Areas to Monitor for Future Notice Updates

Other developments may emerge that create additional notice obligations for employers sponsoring group health plans. The following areas will be important to monitor, as they may trigger new or revised disclosure requirements.

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Health Plan Transparency Disclosures

Over the past few years, several new transparency requirements have gone into effect for employer-sponsored health plans and health insurance issuers, which are aimed at improving the quality of health care and lowering costs by making more information accessible to plan participants and the public. On Feb. 25, 2025, President Trump [directed](#) federal agencies to prioritize health care price transparency during his second term. Specifically, the executive order directed federal agencies to take the following actions within 90 days:

- Require the disclosure of actual prices of items and services, not estimates;
- Issue updated guidance or proposed regulations ensuring pricing information is standardized and easily comparable; and
- Issue guidance or proposed regulations updating enforcement policies designed to ensure compliance with the transparent reporting of complete, accurate and meaningful data.

Although most employers rely on their issuers or third-party administrators to satisfy many transparency requirements, employers should still monitor this topic for additional guidance from federal agencies. In addition to taking regulatory action on these items, federal agencies may issue guidance on **advanced explanation of benefits (EOBs)**, which is a key transparency requirement that has not taken effect yet. When this requirement takes effect, health plans and issuers will need to send an EOB to covered individuals explaining the estimated cost of an item or service, including the individual's estimated cost sharing, before a scheduled service.

Pharmacy Benefit Manager (PBM) Disclosures

State-level regulation of PBMs continues to increase, which may indirectly impact employers. While some courts have ruled that federal law preempts state PBM regulations, others have ruled differently on the issue and federal oversight has become a growing area of focus. Many of these laws require PBMs to disclose detailed pricing, rebate, and claims data to health plan fiduciaries, which may include employers sponsoring group health plans. These laws may indirectly impose new responsibilities on employers (especially those with self-insured plans) by requiring them to understand, respond to, or even redistribute this information to plan participants.

Summary of Benefits and Coverage: Updated Templates

In a set of [Department FAQs](#) from November 2023, federal agencies stated their intention to update the following documents:

- **Summary of Benefits and Coverage (SBC) template** and **sample completed SBCs** in English (with updated taglines in applicable non-English languages);
- Additional translated versions of the **SBC and Uniform Glossary**; and
- Model notices for **internal claims and appeals and external review** (with updated taglines in applicable non-English languages).

According to the FAQs, these updates would reflect updated guidance pertaining to [2023 Culturally and Linguistically Appropriate Services County Data](#). **However, no updates have been made to date.** It remains to be seen whether the transition from the Biden administration to the Trump administration will influence the timing or substance of these updates, particularly in light of broader regulatory shifts under the Trump administration.

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Trump Accounts: Anticipated Employer Notice Obligations

On July 4, 2025, President Trump signed a major tax and spending bill, commonly referred to as the “One Big Beautiful Bill Act” (OBBA Act). Among its many provisions affecting employee benefit plans, the OBBA Act allows employers to contribute up to \$2,500 to a new type of tax-advantaged account for children, referred to as a “Trump Account.” Employers that want to make these contributions must adopt a **written plan document** describing the program and should be prepared to disclose the availability and terms of the program to their employees. While the OBBA Act does not specify formal notice requirements and federal agencies have not provided model templates, the IRS is expected to issue guidance on Trump Accounts in the future. Thus, employers are encouraged to monitor forthcoming regulatory guidance.