

## Appeals Notices to be Provided in a Culturally and Linguistically Appropriate Way

---

**Clients and Friends:**

**May 17, 2011**

Clear and complete communication to employees is becoming more important than ever, and federal Health Care Reform (HCR) is emphasizing this in a variety of ways.

The Department of Labor announced that certain HCR rules related to an insurance carrier's internal claims and appeals standards would be enforced on the "first day of first plan year beginning on or after January 1, 2012." In other words, these changes will take place when your plan renews on its normal 2012 renewal date. (See [Technical Release 2010-02](#) and [Technical Release 2011-01](#).)

**One of these requirements will have an impact on employers and plan administrators.** Specifically, health plans will be required to provide certain enrollees with culturally and linguistically appropriate notices related to the carriers' internal and external appeals processes. This requirement will apply when a certain percentage of your plan participants are "literate only in the same non-English language."

This requirement applies to both small and large employers. For a plan that covers fewer than 100 participants at the beginning of a plan year, the threshold is 25 percent of all plan participants being literate only in the same non-English language. For a plan that covers 100 or more participants at the beginning of a plan year, the threshold is the lesser of 500 participants or 10 percent of all plan participants.

In order to comply, your carrier will likely ask you to provide information about your employees' primary languages on the group master application that you submit each year. At least one major carrier has already started to request this information and others are soon to follow. We understand this may not be information that you currently have on file, so initially you might have to ask your employees. Moving forward you can incorporate this language question into your employee enrollment process.

**It will be your responsibility to certify the need, or lack of need, for translation services to be provided by the carrier under federal Health Care Reform.**

This information will allow carriers to provide the language support services that are required by the statute, which may involve translating information regarding appeals rights or understanding how a claim was paid. This assistance might be provided both verbally using phone translation services and in written translation of appeals notices.

When your next renewal takes place we'll have lots to talk about. In the meantime, if you have any questions or concerns regarding this new requirement, please feel free to contact your Account Manager or call the Benefits Helpline at 206-957-7066 (toll-free 800-946-7066). You can also send an email to [Questions@SIGinsures.com](mailto:Questions@SIGinsures.com).

This HCR update and additional one-page HCR updates can be found on our Sprague Israel Giles website. You can find us at <http://www.SIGinsures.com/employeebenefits.html>.