

Illinois State Law Imposes Group Health Coverage Disclosure Requirements

November 30, 2021

The Illinois Consumer Coverage Disclosure Act (the "**CCDA**"), which went into effect on August 27, 2021, requires an employer to notify employees in Illinois who are eligible for its group health plan whether such plan does or does not cover each of the essential health benefits identified by the Illinois Department of Labor (the "**Illinois DOL**"). The list of essential health benefits is available [here](#). Because this is a disclosure requirement and not a benefits mandate, the Illinois DOL maintains that this requirement also applies to self-funded group health plans regulated by ERISA.

Employers must provide this disclosure to eligible employees (i) upon hire, (ii) annually thereafter, and (iii) upon request. The disclosure can be provided by emailing employees or by posting the information on a website that employees can regularly access. The Illinois DOL has the power to conduct inspections in connection with the CCDA's disclosure requirements, and upon request, employers must demonstrate that each employee received the required disclosure. Employers must also maintain records of providing such disclosure for one year. Civil penalties may be imposed under the CCDA for noncompliance of up to \$1,000 for a first offense, \$3,000 for a second offense, and \$5,000 for a third or subsequent offense, depending on factors such as, among others, the size of the employer and its good faith efforts to comply with the CCDA.

The CCDA is available [here](#).