

New January 1, 2027 Deadline: Employers Should Contact Their Service Providers Now

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The Departments of Labor, Health and Human Services, and the Treasury have issued final regulations updating the Transparency in Coverage rules for participant cost-sharing disclosures and machine-readable files.

Cost-sharing disclosures (for plan years beginning on or after January 1, 2027). The final regulations change the participant cost-sharing disclosures that employer-sponsored group health plans must provide. Among other changes, plans must now make these disclosures available by phone, using the telephone number listed on the plan's ID cards. The new requirements apply to plan years beginning on or after January 1, 2027. The final regulations provide that these revised cost-sharing disclosures will satisfy the price comparison requirements under the Transparency in Coverage rules and the No Surprises Act.

Machine-readable files (effective March and September 2027). The final regulations also change the machine-readable file requirements, with phased effective dates in March and September 2027.

Employers remain responsible. Employers with self-funded plans stay legally responsible for compliance with both sets of requirements, even when a third party administrator ("**TPA**"), pharmacy benefit manager ("**PBM**"), or other service provider performs the work on the plan's behalf. If a service provider fails to comply, the employer is liable.

For fully-insured plans, the insurer is responsible if the plan has a written agreement requiring the insurer to provide the disclosures.

Recommended action. Employers should contact their TPAs, PBMs, and other service providers as soon as possible to:

- Confirm that the provider will support phone-based cost-sharing disclosures through the phone number on the plan's ID cards and make other required changes by the start of the 2027 plan year;
- Confirm that the provider is working toward the March and September 2027 machine-readable file changes; and
- Review service agreements to see how compliance responsibilities and indemnification for failures are allocated and negotiate amendments where needed.