

## New Employer Health Insurance Disclosure Requirement Under the Illinois Consumer Coverage Disclosure Act

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On August 27, 2021, Governor Pritzker signed the **Consumer Coverage Disclosure Act** (the Act), which became effective immediately. The Act requires Illinois employers (both private and governmental) to disclose to all new hires who are eligible for group health plan coverage and all group health plan participants annually an easy-to-understand comparison between the benefits provided under the plan and the “essential health benefits” required by the Illinois Department of Insurance (DOI) for individual and small group health insurance coverage. The Act does not mandate coverage of essential health benefits, it merely mandates a disclosure that compares an employer’s current benefit coverage with the list of essential health benefits provided by the DOI. This comparison may be provided via email or posted to a website that an employee is able to regularly access.

The DOI recently issued **FAQs** regarding the Act and included a sample comparison chart which lists Illinois’ list of essential health benefits for 2020-2022. Employers that sponsor group health plans should work with their third party administrators and insurance carriers to prepare the disclosure. Given that the timing requirements under the Act are similar to those that apply with respect to Summaries of Benefits and Coverage (SBC), many employers may want to plan to send the new disclosure along with the SBC. The Illinois Department of Labor has enforcement authority under the Act. Employers that fail to provide the disclosure will have 30

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days to comply or face penalties.