

Each year, millions of dollars are spent printing and mailing health and welfare plan notices. The cost to American families and their employers is significant, as is the environmental cost — trees are cut down, water is wasted, and greenhouse gases are emitted to print and mail these notices.

Employees and beneficiaries covered under benefits plans are digitally-savvy and highly-familiar with e-delivery in other facets of their lives — including utility bills, home mortgages, credit card bills, and more. Recent polling found that **94% of adults support the proposal to allow default e-delivery of health plan disclosures.**ⁱ Recognizing the benefits of e-delivery, recent federal regulation enabled similar flexibilities for pension plans.

This extension of e-delivery to health and welfare benefit plans represents a commonsense, straightforward action that would benefit the backbone of the economy — American workers, their unions, and employers — while reducing the environmental impacts of mandated paper health communications.

Background on Federal E-Delivery Regulations

- The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law enforcing minimum standards for most retirement and self-insured health plans for employees in the private sector.
- In 2020, the Department of Labor (DOL) established a regulation to enable **ERISA pension plans** to provide information to beneficiaries through e-delivery, as a default.
- Importantly, the regulation included safeguards so that paper disclosures continued for those who chose them, or who lacked access to web-based communications.
- The DOL also indicated that it would “study the future application” of e-delivery to ERISA health and welfare plans. Employers, unions, environmental groups, and plan administrators are advocating for an extension of the e-delivery safe harbor to self-insured ERISA health plans.

Protections for Vulnerable Populations

Last year, the federal government assessed the impact of the 2020 pension plan e-delivery rule and **concluded that it was unlikely to harm vulnerable populations without internet access.**

- The regulation only allows default e-delivery to employees that actually have internet access.
- Employees must have either provided the employer with an email or web-based mobile number.
- If an email or mobile number becomes invalid, the plan admin cannot send e-disclosures till the problem is fixed.
- Individuals who prefer to receive paper disclosures can request them and opt out of e-delivery entirely, at any time, and free of charge.

Five Benefits of E-Delivery



Consumer Experience

Instead of tracking benefits across several different physical mailings — each often several dense pages in length — e-delivery would:

1. **Give employees and beneficiaries** the option of **rapid, reliable, and streamlined access** to their plan information. **Nearly 70% of adults** report that their paper health plan disclosures can make it difficult to keep track of important health information over time.ⁱⁱ
2. Allow them to search for key terms and specific sections of the document they may find relevant, and access links to secure web portals that **enable usable and accessible information.**
3. Improve employee and beneficiary **health literacy and engagement** in their own health, which has been found **to improve health outcomes.**

Internet Use Among Working Americans:



of all adults in the U.S. use the internet.



of those ages 50 and older were internet users in 2021 — a number that is expected to grow further.



Internet use is high even among retired Americans. **Three in four people** 65+ used the internet in 2021.



Employee Benefit Harmonization

Employees and their beneficiaries are accustomed to e-delivery in myriad other parts of their lives — like utility bills, home mortgages, credit cards, and more. **E-delivery for employee health and welfare plans would facilitate a harmonized, streamlined benefits experience.**

Excluding health and welfare plans from e-delivery requires different disclosure systems for what are typically the same employees and beneficiaries. **This results in inefficiencies for administrators and confusion among employees and their beneficiaries.**



Privacy & Security

E-delivery would enhance information security and privacy for employees and their beneficiaries. Four in 10 adults have had lost, stolen, or delayed bills, statements, notifications, and other important mailings — including health and financial information.ⁱⁱⁱ

Paper communications containing participants' health information are:

- Vulnerable to theft;
- Require proper, safe disposal;
- May be incorrectly delivered — a concern shared by **4 in 5 American adults**;^{iv}
- Sealed by nothing more than an envelope.

E-delivery enhances security and privacy through:

- Passwords and multi-factor authentication;
- Encryption technologies that safeguard against unauthorized access;
- Constant cybersecurity improvements;
- Ability to “travel with you” during a move or emergency or disaster.



4 in 5 American adults are concerned paper communications will be incorrectly delivered.



Environmental Protection

E-delivery for ERISA health and welfare plans is an obvious and achievable step towards protecting the environment. Printing and mailing billions of paper copies of benefits disclosures each year contributes to a chain reaction of climate impacts.

From the **trees felled**, to the **processing of wood into paper**, to the **distribution of the paper**, to the **emissions required to deliver the mail**, to the **discarded paper** that must be recycled or, far too often, **ends up in landfills**.



Lower Administrative Costs

E-delivery to commercial plans would significantly lower administrative costs for benefits administrators and plan sponsors. For example, a national health plan covering approximately 12 million Americans reports that their annual spending on printing and mailing plan communications amounts to \$20 million.^v

The tens of millions of dollars spent annually for printing and mailing would be better utilized in providing health care benefits to the American workforce or lowering costs to control premium increases. In fact, **3 in 4 adults are concerned that the immense costs of printing paper disclosures divert money away from their actual healthcare**.^{vi}



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Supporting E-Delivery for ERISA Health & Welfare Plans

Extension of the e-delivery safe harbor to ERISA-covered health plans would:

- Represent a commonsense, straightforward regulatory action that would benefit the backbone of the economy — American workers, their unions, and employers.
- Help reduce the climate and environmental impacts of mandatory paper health care communications.
- Support the entire federal government as it seeks to reduce unnecessary carbon emissions and protect the natural environment.
- Reduce administrative costs amid the ongoing COVID-19 pandemic and global supply chain challenges which have brought about increasing and urgent pressure on the economy.

i Morning Consult. Nationwide tracking poll conducted between October 7 – October 11, 2022, among a national sample of 1000 employees who work for companies with at least 500 employees who also obtain health insurance through their employers.

ii Morning Consult. 2022.

iii Morning Consult. 2022.

iv Morning Consult. 2022.

v American's Health Insurance Plans. Default Electronic Disclosure by Employee Pension Benefit Plans Under ERISA (RIN 1210-AB90) – AHIP Comments. November 21, 2019. <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/rules-and-regulations/public-comments/1210-AB90/00195.pdf>

vi Morning Consult. 2022.