

Each year, employers and health plans are required to print and mail billions of sheets of paper health and welfare plan notices, costing American families and their employers millions of dollars.

Consumers covered under ERISA 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. **94% of adults say that they 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.

E-delivery ensures that consumers have real-time, safe, and secure access to their health benefits. Unlike paper mail, e-delivery utilizes the latest security and privacy technologies to protect sensitive personal health information. By supporting better access to information about personal health insurance benefits, e-delivery would help Americans make informed decisions about their health care.

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) under President Trump** 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

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

- 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 paper disclosures can request to receive them at any time, and free of charge.

Five Benefits of E-Delivery



Lower Administrative Costs

E-delivery to ERISA health and welfare 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.ⁱⁱⁱ

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 premium costs. In fact, **3 in 4 adults are concerned that the immense costs of printing paper disclosures divert money away from their actual health care.**^{iv}



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Employee Benefit Harmonization

Employees and their beneficiaries are accustomed to e-delivery in many 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 already receiving pension plan communications electronically. **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.^v

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**,^{vi}
- 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;
- Cybersecurity safeguards;
- 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.

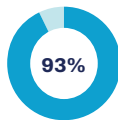


Consumer Experience

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.^{vii}
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:



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**.



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, unions, and employers.
- Support the entire federal government as it seeks to reduce the regulatory burden for American businesses and their workers.
- Reduce administrative costs for American businesses, and free up dollars to be able to invest in improved health benefits for American workers and their families.
- Help reduce the climate and environmental impacts of mandatory paper health care communications.

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 EBSA. Report on Default Electronic Disclosure by Employee Pension Benefit Plans Under Employee Retirement Income Security Act. 2022. Bloomberg Law. <https://aboutblaw.com/1xd>

iii 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>

iv Morning Consult. 2022.

v Morning Consult. 2022.

vi Morning Consult. 2022.

vii Morning Consult. 2022.

viii Pew Research Center. Internet, Broadband Fact Sheet. November 13, 2024. <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>.

ix Pew Research Center. 2024.