

**BRIEF SUMMARY OF THE
FOUR PAGE SUMMARY OF BENEFITS AND COVERAGE (SBC)
UNDER PPACA**

<p>WHO MUST PROVIDE THE SBC</p>	<p>The Plan Administrator – in most cases this is a person at the employer’s office.</p>
<p>WHO MUST RECEIVE THE SBC</p>	<p>All individuals who are <i>eligible to enroll</i> in the group health plan are entitled to receive the SBC.</p> <p>The Regulations indicate that a “participant” and “beneficiary” as defined in ERISA are entitled to the SBC. Keep in mind that these terms include any one who is eligible for coverage not just those who are enrolled. Additionally, the term would include not only employees but also their dependents.</p>
<p>WHEN MUST THE SBC BE PROVIDED EFFECTIVE MARCH 23, 2012</p>	<p><i>The SBC must be provided:</i></p> <ol style="list-style-type: none"> 1. at any enrollment, 2. upon request, and 3. when there is a material modification in the information. <p>If any of the information required to be in the SBC changes before the first day of coverage (e.g., prior to the end of the waiting period), then an updated SBC must be provided <i>prior to the first day of coverage</i>.</p> <p><i>Newly Eligible Participants and Beneficiaries (Special Enrollment)</i></p> <p>Individuals enrolling pursuant a HIPAA special enrollment must receive the SBC within 7 days of the request for enrollment. The SBC must be provided for <i>each benefit package option for which the special enrollee is eligible</i>.</p> <p>If any of the information required to be in the SBC changes <i>before</i> the effective date of coverage, then an updated SBC must be provided <i>prior to the first day of coverage</i>.</p> <p><i>Annual Enrollment (Renewal) –</i></p> <ul style="list-style-type: none"> - To every participant - With the enrollment materials - At least 30 days before the first day of coverage <p>The SBC is only for the benefit option in which the participant is enrolled.</p> <p><i>Upon Request by a Participant or Beneficiary</i></p> <p>The SBC must be provided as soon as practical, but no later than 7 days following the request.</p> <p><i>Material Modifications</i></p> <p>Where a material modification is made to the terms of the plan that would impact the information in the most recently distributed SBC, and the change is not part of the “renewal” given during annual enrollment, <i>then SBC of the modification must be provided at least 60 days PRIOR to the effective date of the change</i>.</p> <p>Mid-year SBCs can either be a separate SBC describing the change or an updated SBC.</p> <p>It appears that the notice may be delivered in writing or electronically. However, if the plan administrator knows that the dependents reside at a different address, the notice must be provided to both.</p>

WHAT IS INCLUDED IN THE SBC

◆ 4 double-sided pages (i.e., a total of eight printed pages, front and back); and

◆ no less than 12-point Times New Roman font (just like that)

◆ Provided in English, but - if **at least 10% of the population in the county are literate only in a particular non- English language and speak English less than “very well,” as determined by the American Community Survey data** published by the United States Census Bureau, then each SBC sent to a recipient with an address in that county must include a one-sentence statement in **that** non-English language about the availability of language services provided by the plan. (Not currently clear how many languages that may entail.)

A stand alone SBC. Must use the prescribed template. Must include the “glossary.”

The content of the SBC includes:

- ◆ uniform definitions of standard insurance terms and medical terms, so that consumers may compare health coverage and understand the terms of (or exceptions to) their coverage.
- ◆ a description of the coverage, including cost sharing, for each category of benefits identified by the Agencies.
- ◆ the exceptions, reductions and limitations on coverage; (with the predefined explanations provided by the Agencies).
- ◆ the cost-sharing provisions of the coverage, including deductible, coinsurance and co-payment obligations.
- ◆ the renewability and continuation of coverage provisions.
- ◆ coverage examples that illustrate common benefits scenarios (under the proposed regulations, a normal childbirth, breast cancer treatment and diabetes management) and related cost-sharing based on recognized clinical practice guidelines; examples are predefined.
- ◆ a statement about whether the plan provides minimum essential coverage as defined under Section 5000A(f) of the Internal Revenue Code, and whether the plan’s or coverage’s share of the total allowed costs of benefits provided under the plan or coverage meets applicable requirements. (This will be added as of January 1, 2014, if it what is minimum essential coverage has been defined).
- ◆ a statement that the SBC is only a summary and that the plan document, policy or certificate of insurance should be consulted to determine the governing contractual provisions of the coverage.
- ◆ Contact information, including
 - a contact number to call with questions and an Internet address where a copy of the actual individual coverage policy or group certificate of coverage can be reviewed and obtained;
 - an Internet address (or similar contact information) for obtaining a list of network providers;
 - an Internet address where an individual may find more information about the prescription drug coverage under the plan or coverage; and
 - an Internet address where an individual may review and obtain the uniform glossary.
- ◆ the premium (presumably cost in a self funded plan).