Uniform Summary of Benefits and Coverage

Summary of Benefits and Coverage (SBC)

SUMMARY OF LAW & REGULATIONS

- Summary of Benefits and Coverage – using HHS uniform definitions and standards, plans must provide this "mini-SPD" to all plan participants at time of enrollment. Relates to all plans: insured and self-insured, **grandfathered or not.**
  - *This is in addition to the normal SPD.*
  - *Effective for plan years beginning after 9/23/12*
  - *Proposed rule (not interim final rule) published on 8/22/11. Final Regulation published on 2/9/12.*
  - *HHS adopted, almost without change, the NAIC recommendations.*
  - *New $1000 failure to provide fine for willful violations.*

Summary of Benefits and Coverage (SBC)

- SBC Model Notice Issued: http://www.dol.gov/ebsa/healthreform/
  - 4 pages (front & back) in 12 point font with information on definitions, coverage, cost-sharing, and limits.
  - Must follow template
  - Must be presented in a culturally and linguistically appropriate manner, using terminology that is understandable by the average plan enrollee
  - Must be provided in writing and free of charge
  - Must make Uniform Glossary available upon request, within 7 business days.

Summary of Benefits and Coverage (SBC)

REQUIRED CONTENT

- Description of coverage and cost-sharing for each category of essential health benefits,
- Exceptions, reductions, and limitations on coverage,
- Renewability and continuation of coverage provisions,
- Examples to illustrate two common benefit scenarios. (pregnancy, & diabetes – may be expanded)
- (Delayed) Statement as to whether the plan 1) provides minimum essential coverage and 2) ensures that its share of the total allowed benefit cost under the plan is no less than 60% of those costs, and
- A contact number for additional questions and an internet website where actual plan policies and certificates can be reviewed and obtained.

Summary of Benefits and Coverage (SBC)

- Distribution Requirements
  - At enrollment, at renewal, and upon request, for all options an individual is eligible to enroll for.
- Can be included in the SPD or other plan materials.
- Can be delivered by:
  - Paper, or
  - Electronic delivery (ERISA's general delivery rules for ERISA group health plans)

Summary of Benefits and Coverage (SBC)

- If plan makes mid-year modification that would cause change to SBC, must give 60 days advance notice.
  - "Material Modification – any change that independently or in conjunction with other contemporaneous changes, would be considered by the average plan participant to be important.
- This does not change ERISA SMM rules, which otherwise apply. If there is a plan change that does not impact SBC, use SMM rules
  - SMM within 210 days of close of plan year in which change adopted.
  - If adverse change, SMM within 60 days

COMPARATIVE RESEARCH EFFECTIVENESS FEES

CER Fee

- Comparative Effectiveness Research (CER) Fee – to be paid by both health insurers and self-funded plans (employer or plan sponsor), with limited exceptions.
  - For plan years ending after 9/30/12 - $1 per covered life (actives and dependents)
  - For plan years ending after 9/30/13 - $2 per covered life
  - Indexed thereafter based on any increase in the projected per capita amount of National Health Expenditures as published by HHS.
  - To be phased out by 2019.

CER FEE

- To be used to fund the Patient Centered Outcome Research Institute at HHS to provide information regarding the effectiveness, risks and benefits of various medical treatments.
- No guidance yet. However, IRS requested public comments regarding fee determination and payment process. Notice 2011-35.
- Fee to be collected by IRS, but to be processed and enforced as a tax.