

HCR ALERT

Wednesday, March 2, 2016

Agencies Release New Summary of Benefits and Coverage Templates

Health care reform expands ERISA's disclosure requirements by requiring that a summary of benefits and coverage (SBC) be provided to applicants and enrollees before enrollment or re-enrollment. Specifically, an SBC must be provided at open enrollment, initial enrollment, special enrollment, or upon request. The SBCs allow health insurance shoppers to more easily make comparisons among available health plans and assist enrollees to better understand and use their own coverage.

The initial SBC templates, instructions, and related materials were published by the Departments of Labor, Health and Human Services, and Treasury ("the Departments") in 2011. Changes to those forms were subsequently suggested to the Departments as a result of input from a stakeholders group convened by the National Association of Insurance Commissioners (NAIC). As we reported in a [previous HCRAAlert!](#), in June 2015 the Departments issued rulemaking amending the SBC regulations without issuing a revised SBC template and related documents, which the Departments anticipated would be finalized in January 2016 for use with plan years beginning on or after January 1, 2017.

On February 25, 2016, the Departments instead released a proposed 5-page [revised SBC template](#), proposed [instructions](#), and a proposed [uniform glossary](#). The documents are currently under a 30-day comment period. Changes in the proposed documents include:

- A new question to better identify first dollar coverage;
- Plans offering family coverage must disclose whether the plan has "embedded" or "non-embedded" deductibles and out-of-pocket limits;
- Plans offering tiered networks must disclose more information in the common medical events chart and must make clear which provider tiers are most and least expensive;
- Three coverage cost-sharing examples are required instead of two – maternity, diabetes, and a simple fracture; and
- Plans that have wellness programs must assume that enrollees are not participating in the wellness program when calculating coverage examples (although plans can also indicate that costs may be reduced if enrollees do participate).

Although an effective date for a finalized template has not been formally announced, the Departments have informally suggested that the new SBC template may take effect for plan years beginning on or after April 1, 2017 (i.e., for 2018 coverage for calendar year plans).

Your Trion Strategic Account Managers are here to answer any questions you might have as you prepare to comply with upcoming ACA requirements. If you are not currently a Trion client and would like assistance navigating the changes required by health care reform, please contact us today by emailing trionsales@trion-mma.com.

ACA Regulations & Guidance Issued In the Last Two Months

Feb. 2016: HHS Issues Notice of Benefits and Payment Parameters for 2017 Final Rule

Feb. 2016: Agencies Issue Proposed Revised SBC, Instructions, Uniform Glossary, and Other Related Documents

Feb. 2016: IRS Issues Notice 2016-17 Application of Market Reforms & Other Provisions to Student Health Coverage

Feb. 2016: IRS Issues Notice 2016-14 Health Insurance Providers Fee; Procedural and Administrative Guidance

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