

HCR ALERT

April 8, 2016

Agencies Finalize New Summary of Benefits and Coverage Documents

On April 6, 2016, the Departments of Labor, Health and Human Services, and Treasury (“the Departments”) released final versions of updates to the [Summary of Benefits and Coverage \(SBC\) template](#), [SBC template instructions](#), [sample completed SBC](#), and [Uniform Glossary](#). The new SBC and Uniform Glossary are applicable for plan years beginning April 1, 2017 or later (the 2018 plan year for calendar year plans) and must be used as of the first day of the open enrollment period for that plan year.

The Affordable Care Act (ACA) expanded ERISA’s disclosure requirements by requiring that health plans provide an SBC and information regarding the associated Uniform Glossary to applicants and enrollees before enrollment or re-enrollment to enable health insurance shoppers to more easily compare available health plans and to assist enrollees to better understand and use their coverage. As we reported last month, the Departments issued amended SBC and Uniform Glossary regulations in June of 2015 and published proposed versions of new SBC template and Uniform Glossary documents in February of this year.

The final documents issued this week largely adopt the changes outlined in the proposed documents. The changes include (but are not limited to):

- 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;
- Plans that have wellness programs must assume that enrollees are not participating in the wellness program when calculating coverage examples;
- Elimination of questions & answers regarding coverage examples;
- Updated claims and pricing data for the coverage example calculator;
- Other revisions to text in headers and footers, response options for the coverage chart, minimum essential coverage and minimum value statements, and continuation rights language; and

- Additional Uniform Glossary terms and hyperlinks embedded in the SBC linking to definitions for glossary terms used in the SBC.

In addition, the instructions for the new SBC template reiterate guidance published previously in a number of ACA Frequently Asked Questions (FAQs) issued by the Departments, which include clarifications such as:

- Minor adjustments are permitted to row or column size in order to accommodate plan information, as long as information is understandable;
- The chart on page 2 of the template may begin on page 1 if space allows, provided the first box appears on page 1 in its entirety;
- A cross-reference to an SPD or other plan documents may not be substituted for any content element of the SBC, except as specifically permitted in the instructions;
- Barcodes, control numbers, or other similar language may be added for quality control purposes;
- Premium information may be added immediately preceding the *Your Rights to Continue Coverage* section;
- Information about add-ons to major medical coverage that could affect cost-sharing (such as health FSA, HRA, HSA, or wellness program) may be incorporated; and
- A plan or issuer must use its best efforts to be as consistent as possible with the template and instructions in cases in which a plan's terms cannot reasonably be described in a consistent manner, such as:
 - If a plan provides a different structure for provider network tiers or drug tiers than the template;
 - If a plan provides different benefits based on facility type;
 - If a plan is combining information for different deductible, copayment, and coinsurance options for a benefit package; or
 - If a plan is combining information for add-ons to major medical coverage that could affect cost-sharing (e.g., health FSA, HRA, HSA, or wellness program).

While the instructions do not mention situations in which a plan provides benefits through more than one issuer or third-party administrator (e.g., a major medical plan with a prescription drug carve-out), the matter is addressed in the amended regulations issued in June 2015. Those final regulations made permanent the safe harbor originally issued in [ACA FAQs Part IX](#), which allows a plan to provide multiple partial SBCs that, together, satisfy the SBC content requirements.

We recommend that plan sponsors determine exactly when they will need to begin using the new SBC based on their plan year and open enrollment dates and work closely with their plan issuers or third party administrators to ensure compliance by the required date.

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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

Apr. 2016: Agencies Issue Revised SBC Template, Instructions, Uniform Glossary, and Other Related Documents

Mar. 2016: ACA FAQs 30 – Revised Summary of Benefits and Coverage Implementation Date

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