

FYI®

For Your Information®

Volume 38 | Issue 56 | April 14, 2015

Revised SBC Templates to be Delayed to 2017

Following the departments' proposed rule designed to streamline the format and substance of the Summary of Benefits and Coverage (SBC) and inquiries about the status of final regulations, they announced their intent to issue a final rule "in the near future." Importantly, the departments also anticipate that the new SBC template and associated documents will apply for plan years beginning on or after January 1, 2017 — which gives plan sponsors more time than initially anticipated to update their SBCs.

Background



Under the Affordable Care Act (ACA), group health plans and health insurers must provide SBCs to participants and beneficiaries when they first enroll in coverage, during open enrollment, and on other specified occasions. The primary objective of SBCs is to help participants easily compare coverage options and better understand their health benefits.

In February 2012, the Departments of Labor, Treasury, and Health & Human Services (departments) issued final regulations on SBCs, along with a prescribed template and instructions. (See our [March 1, 2012 For Your Information](#).) In an effort to incorporate the feedback on and guidance issued since those final regulations, on December 30, 2014, the departments proposed new SBC regulations, along with a new proposed SBC template, instructions, coverage examples, and an updated uniform glossary. (See our [March 2, 2015 For Your Information](#).)

These proposed rules incorporate much of the guidance previously released through FAQs. Highlights include a new, shorter template that eliminates some previously required information to bring the length down from four double-sided pages to two and a half double-sided pages, and a new coverage example. Under the proposed rules, plan sponsors would have to provide the new documents for plan years beginning on or after September 1, 2015.

Revised Templates Won't Apply Until January 1, 2017

In response to questions about the status of the final regulations, on March 30, 2015, the departments released an [FAQ](#) stating that the regulations will be finalized "in the near future" and that they anticipate delaying use of the new SBC template by one year.

Specifically, the departments said they plan to conduct consumer testing and solicit public input before finalizing revisions to the template and associated documents. They expect this material to be finalized by January 2016 and apply to coverage beginning on or after January 1, 2017 (including open enrollment periods that occur in fall 2016). This delay is welcome news and gives plan sponsors more time to make necessary updates.

In Closing

Plan sponsors should be on the lookout for final rules, followed by a revised template and associated documents. While now enjoying a bit more breathing room, they should anticipate dedicating resources in 2016 to updating SBCs for coverage beginning on or after January 1, 2017.

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