

New Proposed SBC Template, Instructions and Materials

The departments have released a new proposed Summary of Benefits and Coverage template as well as proposed instructions and related material. The departments requested comments by March 28, 2016. The departments originally anticipated that final documents would apply to coverage beginning in 2017; however, the newly proposed material does not specify an effective date.

Background

The Affordable Care Act (ACA) requires group health plans and health insurers to provide a Summary of Benefits and Coverage (SBC) to participants and beneficiaries when they first enroll in coverage, during open enrollment, and at other specified times. The SBC is intended to help participants easily compare coverage options and better understand their health benefits.

In February 2012, the Departments of Labor (DOL), Treasury, and Health & Human Services (departments) issued final regulations on SBCs, including a prescribed template and related material. (See our [March 1, 2012 For Your Information](#).) After proposing new SBC regulations in 2014, the departments issued final regulations adopting changes to the SBC content, appearance, form and distribution in July 2015. (See our [July 7, 2015 For Your Information](#).) The departments anticipated releasing a revised SBC template, instruction guide, uniform glossary and other supporting material by January 2016 to apply to coverage for plan years beginning on or after 2017.

Proposed Documents

Incorporating input from the National Association of Insurance Commissioners, on February 26 the departments issued new proposed SBC instructions, template and other documents.

- [Instructions for Completing SBC – Group Health Plan Coverage](#)
- [SBC Template](#)
- [Sample Completed SBC](#)
- [Uniform Glossary of Coverage and Medical Terms](#)

The proposed SBC template is five pages, cut down from the eight-page limit prescribed in the 2012 final regulations. Additions to the template include a:

- Question about whether there are services covered before meeting the deductible
- Question about whether a participant will pay less using a network provider
- Common medical event explanation involving visiting a provider's office
- Coverage example involving a simple fracture

Proposed revisions to the instructions include the following:

- Disclosure of tiered networks, if applicable, and an explanation of the costs associated with using providers in each tier
- Disclosure of embedded out-of-pocket limits and deductibles, if applicable
- An explanation about whether abortion services are covered (voluntary for group health plan SBCs)

The departments requested comments on or before March 28, 2016.

In Closing

Once the template, instructions and other material are finalized, employers will need to revise their SBCs accordingly. Because the departments did not specify an effective date when they issued the proposed documents, it is uncertain if employers will need to make revisions for the 2017 plan year.

Authors

Kimberley Mitchell, JD
Julia Zuckerman, JD

Produced by the Knowledge Resource Center of Xerox HR Consulting

The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive or email fyi@xerox.com.

You are welcome to distribute *FYI*® publications in their entirety. To manage your subscriptions, or to sign up to receive our mailings, visit our [Subscription Center](#).

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.