

EXPERT UPDATE



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Summary of Benefits and Coverage Requirement Revisions to Take Effect 2017

By Shari Herrle, Director of Compliance

On April 6, 2016, the DOL and HHS issued the final revised template and supporting materials for the Summary of Benefits and Coverage (“SBC”). Health plans and issuers will be required to use the revised SBC and related materials beginning with the first day of their open enrollment period that begins on or after April 1, 2017 with respect to plan years that begin on or after that date.

The SBC is the standardized explanation of coverage that fully insured and self-funded group health plans are required to provide to plan participants, beneficiaries, and other individuals eligible to enroll in the plan so they can make informed decisions when selecting coverage. The uniform format required by the ACA makes key features of plans easy for participants to understand and compare with SBCs from different health plans or insurers.

Highlights of changes made to sections in the revised SBC template

Introduction & Glossary

- New introductory paragraph identifies the purpose and structure of the document
- Introduction links to the uniform glossary
- Terms defined in the electronic form are hyperlinked to the definitions

Important Questions

- Eliminated question about annual limits
- Eliminated question about non-covered services (addressed elsewhere)
- Changes to questions about deductibles, out-of-pocket limits and network providers

Please note that the information contained in this document is designed to provide authoritative and accurate information, in regard to the subject matter covered. However, it is not provided as legal or tax advice and no representation is made as to the sufficiency for your specific company's needs. This document should be reviewed by your legal counsel or tax consultant before use.

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Disclosures language

- Adds information regarding whether the plan meets Minimum Essential Coverage and Minimum Value requirements
- Adds explanation of premium tax credits
- Revises continuation coverage, grievance and appeal rights information

Instructions

- New explanation of an “add-on” benefit like a health FSA, HRA, HSA or wellness program

Coverage examples

- Adds third coverage example involving a simple fracture
- Provides clearer information about the plan's deductibles and coinsurance
- Eliminates hypothetical costs (such as lab tests) for specific services under each example
- Coverage example calculators available to complete examples, along with proposed narratives and guides to the calculations

Additional information and resources for proposed SBC

[CMS update](#)

[Final SBC template](#)

[Instruction Guide](#)

[Coverage Examples Calculator Information Packet](#)

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