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March 23, 2016

## Proposed SBC Templates

The Departments of Labor, Health & Human Services, and the Treasury (collectively, the “Departments”) recently issued a proposed new Summary of Benefits and Coverage (SBC) template, proposed individual and group instructions, and a proposed uniform glossary for final comment and review. Links to the current and the new proposed SBC materials are available at <http://www.dol.gov/ebsa/healthreform/regulations/summaryofbenefits.html>. These SBC materials are drafts and have not yet been finalized.

The Departments also released an [FAQ](#) addressing the effective date for the revised SBC materials and providing that they intend to “expeditiously” finalize the SBC template, instructions and other documents. The FAQ provides that health plans with an open enrollment period will have to use the new material (once finalized) by the first day of the first open enrollment period beginning on or after April 1, 2017. Plans that do not use an open enrollment period must use the new material by the first day of the first plan year on or after April 1, 2017. For calendar year plans, this means the required use of the new SBC templates and materials will not apply until the plan year beginning January 1, 2018.

### Background

The Affordable Care Act (ACA) requires health plans to provide an SBC to individuals with straightforward and consistent information about health plan benefits and coverage so they can better understand and compare medical plan offerings when shopping for new coverage. The SBC requirement first became effective starting with the first open enrollment period that began on or after September 23, 2012 for participants and beneficiaries enrolling or re-enrolling through open enrollment. The requirement applies to “grandfathered” health plans—that is, it is not one of the requirements from which those existing group health plans and health coverage are excused. The SBC requirement applies in addition to ERISA’s Summary Plan Description (SPD) and Summary of Material Modification (SMM) requirements.

### Proposed Changes to Current Template

The general format of the SBC template is similar to the current version, although on the whole the proposed revised SBC is a distinct improvement over the current SBC. Proposed changes to the template include:

- New minimum essential coverage and minimum value language.
- Revised questions about deductibles, out-of-pocket limits, and network providers—for example, asking “Will you pay less if you use a network provider?” rather than “Does this plan use a network of providers?” and a new question—“Are there services covered before you meet your deductible?”
- Updated claims/pricing data for the coverage example calculator.
- Revised disclosures about continuation coverage and grievance and appeals rights language, with additional language required based on factors such as whether the plan is subject to ERISA.
- Revised instructions including some new elements, such as information about addressing coverage or exclusion of abortion services on the SBC.
- An updated Uniform Glossary
- New proposed template comprising 2-1/2 double-sided pages of prescribed content, making it shorter than the template currently in use.

Other proposed changes are outlined in the links below.

- [Summary of Benefits and Coverage \(SBC\) Template | MS Word Format](#)
- [Sample Completed SBC | MS Word Format](#)
- [Instructions for Completing the SBC - Group Health Plan Coverage](#)
- [Instructions for Completing the SBC - Individual Health Insurance Coverage](#)
- [Why This Matters language for “Yes” Answers](#)
- [Why This Matters language for “No” Answers](#)
- [HHS Coverage Example Calculator and Related Information](#)
- [Uniform Glossary of Coverage and Medical Terms](#)

Once the proposed changes to the template, instructions and related materials have been finalized, plan sponsors will need to be prepared to make the necessary modifications by the first plan year on or after April 1, 2017.

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