



Summary of Benefits and Coverage Rules (SBC) – Update

Employers had been mandated to comply early next year with proposed Summary of Benefits and Coverage (SBC) rules. A recent Frequently Asked Questions (FAQ) document related to the Patient Protection & Affordable Care Act (PPACA) has rescinded the interim requirement.

The Departments of Health & Human Services, Labor, and the Treasury have been inundated with comments on the interim regulations. Their final guidance will intend to incorporate that stakeholder feedback, and many expect to see a reasonable effective date that will allow group health plans and health insurance issuers sufficient time to implement, probably in 2013.

Previously, the Departments and other federal agencies involved had stated that the SBC requirements were to apply in March 2012.

The SBC requires individual and group health plans to provide a uniform explanation of benefits and coverage to all applicants and enrollees. The intent is (1) to help consumers compare health insurance coverage options before they enroll, and to (2) facilitate their understanding of coverage after they enroll.

The provision applies to all self-insured and fully-insured health plans, regardless of whether they are “grandfathered.”

The SBC document must not exceed four double-sided pages, must use only words that are understandable to the average consumer, and must be presented in a culturally and linguistically appropriate manner (no “fine print”). Its content must detail the plan’s premium, coverage features, patient cost-sharing for each essential benefits category, and rules regarding the use of network providers. The SBC should indicate whether the plan meets standards for minimum coverage.