



For Your Benefit.

New Summary of Benefits and Coverage (SBC) Rules

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Responding to criticism about previous guidance and examples of the Summary of Benefits and Coverage (SBC), HHS previously postponed the requirement for the SBC until final regulations could be issued. The two primary complaints heard were in regard to the seemingly redundant nature of the SBC, and the short time period in which plans had to comply. They also promised to provide adequate time for plans to comply with the new requirements. On February 9, 2012, HHS provided a preview of the [final regulations](#) and sample SBC documents (links below) that will be officially released on February 14, 2012 (how's that for a Valentine's present?!).

Plan years starting on or after September 23, 2012 will have to supply SBCs in their next open enrollment.

The initial proposed rule would have required the SBC to be a separate document. To avoid the redundancy of providing the same information in the Summary Plan Description (SPD) and a new separate SBC, the SBC can now be incorporated into the SPD, as long as the SBC information is complete

and displayed prominently at the beginning of the SPD. If preferred, the SBC may also be a standalone document.

Some of the other highlights of the final regulations include:

- PPACA initially called for a no-more-than 4 page SBC. Initial attempts by HHS proved unable to fit in that space. New guidance allows for reasonable attempts to comply in as little space as is practicable (even perhaps 4 pages double-sided).
- Plans that have to provide appeals and review documents in a foreign language will also have to provide SBCs in a foreign language. For example, if 10 percent or more of the employer's participants speak one common language other than English as a first language, the SBC (and the previous requirement of the SPD) must be provided in that other language.

The timing of when the notices are required to be provided to participants each year has not changed. If there is a "material modification" to the coverage (changes to a component that an average participant might consider in their decision-making) then the SBC or a summary of the changes is due 60-days prior to the change taking effect. For larger groups, this should

not prove difficult. For smaller groups, however, the timing will have a significant impact on the usual open enrollment planning.

Who will ultimately prepare and provide this information will probably vary from carrier-to-carrier, and TPA-to-TPA. We recommend contacting your insurance carrier, TPA, or insurance broker or consultant to discuss your individual plans.

Templates, Instructions, and Related Materials

- [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](#)
- [“Why This Matters” language for “Yes” Answers](#)
- [“Why This Matters” language for “No” Answers](#)
- [HHS Information For Simulating Coverage Examples](#)
- [Uniform Glossary of Coverage and Medical Terms](#)

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