

Proposed Summary of Benefits and Coverage and Uniform Glossary Rules Fact Sheet

Proposed changes to the regulations regarding the summary of benefits and coverage (SBC) and uniform glossary for group health plans and health insurance coverage in the group and individual markets are being released today by the Departments of Health and Human Services, Labor, and the Treasury (collectively, the Departments). Today's proposed regulations would amend the final regulations published on February 14, 2012 (2012 final regulations) and includes revisions to the templates, instruction guides, uniform glossary, and other supporting materials for compliance with the regulations. The proposed amendments to the 2012 final regulations and additional materials are based on questions and feedback the Departments have received from stakeholders, including consumers, the insurance industry, states, and employers. These proposed regulations are designed to improve consumers' access to important plan information so that they can make informed choices when shopping for and renewing coverage, as well as to provide clarifications that will make it easier for health insurance issuers and group health plans to comply with providing this information.

Today's proposed rules generally address the requirements for SBCs and uniform glossaries that, if finalized, would be available to consumers with respect to coverage that begins on or after September 1, 2015.

Key policies in today's proposed rules include:

SBC Coverage Examples

Consumer testing has shown that the SBC's coverage examples are a useful feature for many consumers. The Departments are authorized to develop up to six coverage examples for the SBC and have taken a phased approach to implementing the coverage examples. The proposed regulations would retain the two current coverage examples of "having a baby (normal delivery)" and "managing diabetes type 2 (for a well-controlled condition)" and add a third example regarding a simple foot fracture with emergency room visit. Updates to the underlying pricing data are also being proposed so that the examples would more accurately reflect the allowed charges experienced by consumers in the private insurance market. The Departments also propose to permit plans and issuers to continue using the HHS-provided coverage examples calculator as an alternative means of completing the coverage examples.

Overview of SBC and Glossary Formatting and Content Changes

The statute limits the length of the SBC to four pages. The 2012 final regulations interpret this requirement to be four double-sided pages. In response to feedback that the current SBC template and instructions for completing the SBC are not always conducive for certain plan designs to meet the four double-sided page limit, the Departments are proposing to revise the template to be more streamlined. In addition, the Departments are proposing to remove information that is not required by statute and has been identified through consumer testing to be less useful for consumers choosing coverage. The sample completed template for a standard group health plan has been shortened from four double-sided pages to only two and a half.

The Departments are also proposing to make a number of changes to the content of the SBC and uniform glossary to reflect the private insurance market reforms under the Affordable Care Act. For

example, references to annual limits for essential health benefits and preexisting condition exclusions would be removed. In addition, the disclosures relating to continuation of coverage, minimum essential coverage, and minimum value would be revised to provide more useful information to consumers, including those shopping in the individual market. Similarly, in the uniform glossary, the Departments propose to revise a few of the existing definitions and add new definitions reflecting important insurance or medical concepts (such as “claim,” “screening,” “referral,” and “specialty drug”), as well as key terms that are relevant in the context of the Affordable Care Act (such as “individual responsibility requirement,” “minimum value,” and “cost-sharing reductions”). In addition, the Departments propose to amend the 2012 final regulations to require an individual market qualified health plan issuer to disclose information related to coverage of abortion on the SBC. Note, although the 2012 final regulations did not specifically address this disclosure on the SBC, section 1303 of the Affordable Care Act and implementing regulations for that section already required issuers of individual market qualified health plans to disclose coverage of non-excepted abortion services on the SBC provided at the time of enrollment.

Consistent with prior guidance, the regulations propose that the SBC requirements do not apply to Medicare Advantage plans.

Provisions to Reduce Unnecessary Duplication

The proposed regulations would help prevent unnecessary duplication where a group health plan utilizes a binding contractual arrangement where another party assumes responsibility to provide the SBC; where a group health plan uses two or more insurance products provided by separate issuers to insure benefits with respect to a single group health plan; and where the SBC for student health insurance coverage is provided by another party (such as an institution of higher education). These are consistent with prior guidance issued by the Departments.

Documents Available for Public Comment

In addition to the Federal Register Notice that includes these proposed rules, the following documents, available at <http://cciio.cms.gov> and www.dol.gov/ebsa/healthreform are available for review, and the Departments solicit comment on them:

1. SBC template.
2. Sample completed SBC. This document was completed using information for sample group health coverage and provides a general illustration of a completed SBC.
3. Instructions. For assistance in completing the SBC template, separate instructions are available for group health coverage and for individual health insurance coverage.
4. Why This Matters language. The SBC instructions include language that must be used when completing the "Why This Matters" column on the first page of the SBC template.
5. Coverage examples. The Federal Register Notice, together with information provided in Microsoft Excel format by HHS at <http://cciio.cms.gov> (and accessible via hyperlink from www.dol.gov/ebsa/healthreform), provides all the information necessary to perform the coverage example calculations.

6. Uniform glossary. This document contains consumer-friendly definitions reflecting important insurance or medical concepts and key terms that are relevant in the context of the Affordable Care Act.