



## Revised Summary of Benefits and Coverage

August 9, 2012

### What is the Summary of Benefits and Coverage (SBC)?

The Affordable Care Act requires health insurance companies and group health plans to provide individuals with a new summary document that summarizes – in plain language– the benefits and coverage provided under a plan or benefit package. The SBC is intended to assist members in understanding their coverage, and to help them compare their coverage options. The SBC will summarize important features of a plan, including covered benefits, cost-sharing, and limitations and exceptions. The SBC is not a substitute for the Summary Plan Description and is not intended to provide a comprehensive description of the plan's terms. *The SBC must be provided to participants and beneficiaries of group health plans (including employees and former employees and their dependents who are or may become eligible to receive a benefit from the plan) during open enrollment, when they enroll in coverage, at the start of each new plan year, and upon their request.* The SBC must also be provided to individuals and dependents in the individual market.

The SBC includes a coverage example section. Coverage examples are a standardized health plan comparison tool to help consumers choose among different coverage options available to them. The coverage examples illustrate the proportion of medical expenses that might be covered under a plan, using a sample patient who is experiencing two common medical scenarios: managing type 2 diabetes, and having a child. The coverage examples are not a cost estimator given that the actual cost of care and actual care received are likely to differ from the required sample care costs and standard treatment scenarios. In the future other coverage examples may be added, based on consumer feedback.

### What does the SBC look like?

The final, approved SBC blank template is posted on the website of the Centers for Medicare and Medicaid Services (CMS). It is the first link located beneath the heading **Summary of Benefits and Coverage and Uniform Glossary**. You may also view a sample completed SBC under the *Instructions/Guidance* section. Please [click here](#) to view this document:

### When does the SBC have to be delivered?

The SBC was originally planned for release beginning March 23, 2012; however, the final regulations released on February 14, 2012 (with further guidance March 19, 2012 and May 11, 2012) offer a different timetable.

Although the delivery date varies depending on the recipient of the SBC, generally speaking, group health plans and health insurance issuers must deliver the SBC beginning September 23, 2012.

Here are some scenarios that may prove helpful:

1. **Employees/dependents who enroll in/renew group health coverage during an annual open enrollment** – SBCs must be provided on the first day of the first open enrollment period beginning on or after September 23, 2012.
2. **Employees/dependents who enroll in group health coverage outside of open enrollment (new hires and special enrollees<sup>1</sup>)** – The SBC must be provided beginning on the first day of the first plan year that begins on or after September 23, 2012. For new hires, the SBC must be provided with written application materials for enrollment, if any. If written application for enrollment is not required, the SBC must be provided no later than the first day the individual is eligible to enroll in coverage. **Special enrollees must be provided an SBC within 90 days after the date enrolled.**
3. **Group health plans or individual (direct pay) consumers** – Beginning September 23, 2012, the health insurance issuer must provide the SBC upon receipt of application or upon request.

A self-insured group health plan is solely responsible for providing the SBC to participants and beneficiaries. For insured plans, both the group and the insurer are required to provide an SBC. However, if either the group or the insurer provides a complete and timely SBC, both will have satisfied the requirement.

**Be sure to visit [www.highmarkonhealthreform.com](http://www.highmarkonhealthreform.com)**

For more information about the SBC, what information it needs to include and when it must be distributed, please visit [www.highmarkonhealthreform.com](http://www.highmarkonhealthreform.com), click on “Key Provisions,” then on “Summary of Benefits and Coverage Explanation.”

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<sup>1</sup> Special enrollees are individuals who are eligible to enroll in group health coverage mid-year due to the occurrence of certain specific events, such as loss of other qualified coverage, acquisition of a new dependent (e.g., through birth, marriage, or adoption.)