

■ The Affordable Care Act ■

A NOTICE FOR EMPLOYERS AND BROKERS: SUMMARY OF BENEFITS AND COVERAGE (SBC)

On February 9, 2011, as part of the Affordable Care Act, the federal government released regulations regarding the disclosure of the **summary of benefits and coverage (SBC)** and **uniform glossary**. These regulations apply to group health plans and health insurance issuers that offer coverage for groups and individuals. The purpose of these documents is to give consumers information so they can compare coverage options in different types of plans.

Frequently Asked Questions

WHEN DO THE NEW RULES COME INTO EFFECT? For SBCs going to group health plan members who **enroll/re-enroll through an open enrollment period**, the new requirements come into effect on the first day of the first open enrollment period that begins on or after September 23, 2012, for disclosures to members.

For SBCs to group health plan members who **enroll other than through an open enrollment period**, the new requirements come into effect on the first day of the first plan year that begins on or after September 23, 2012.

WILL COVENTRY BE READY TO ISSUE THE NEW SBC AND GLOSSARY ON SEPTEMBER 23, 2012? Yes. We will have the processes in place to comply with this effective date as required under the SBC rules.

WHICH PRODUCTS ARE AFFECTED? The requirements apply to commercial group (self-funded and fully insured) and individual products, regardless of their grandfathered status. This requirement does not apply to Medicare Advantage plans.

TIMEFRAMES FOR COVENTRY PROVIDING SBCS:

From Coventry to group		
Prior to coverage	Renewal	Upon request
<ul style="list-style-type: none"> • No later than seven business days after receipt of the application. • If information required to be in the SBC changes between the time your group applies for coverage and the first day of coverage, Coventry will provide an updated SBC no later than the first day of coverage. 	<ul style="list-style-type: none"> • If a written application is required, no later than when renewal materials are distributed. • If renewal is automatic, no later than 30 days prior to the first day of the new policy year. <p>Exception: <i>if the policy is not renewed before the 30-day period, no later than seven business days after issuance of the policy or receipt of written confirmation of intent to renew, whichever is latest.</i></p>	<ul style="list-style-type: none"> • No later than seven business days after the request.

WHO WILL DISTRIBUTE THE SBCs TO MEMBERS AND THEIR DEPENDENTS? Coventry will provide employer groups with the SBC. Employer groups, however, will distribute SBCs to members and their dependents.

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TIMEFRAMES FOR THE GROUP TO PROVIDE SBCs:

From group to subscribers and dependents:			
Initial enrollment	Renewal	Special enrollment	Upon request
<ul style="list-style-type: none"> • Subscribers and their dependents must be provided an SBC for each benefit package offered for which they are eligible. The SBC should be sent with written application materials distributed for enrollment. • If materials are not distributed for enrollment, each subscriber must be provided an SBC no later than the first date on which they are eligible to enroll for coverage. • If information required to be in the SBC changes between the time a group applies for coverage and the first day of coverage, each subscriber should be provided an updated SBC no later than the first day of coverage. 	<ul style="list-style-type: none"> • If a written application is required, each subscriber must be provided an SBC no later than when renewal materials are distributed. • If renewal is automatic, each subscriber should be provided an SBC no later than 30 days prior to the first day of the new policy year. <p><i>Exception: if the policy is not renewed before the 30-day period, each subscriber must be provided an SBC no later than seven business days after issuance of the policy or receipt of written confirmation of intent to renew, whichever is latest.</i></p>	<ul style="list-style-type: none"> • Subscriber must be provided an SBC no later than 90 days from enrollment. 	<ul style="list-style-type: none"> • Subscriber must be provided an SBC no later than seven business days after the request.

HOW IS THE SBC DISTRIBUTED?

From Coventry to group
<ul style="list-style-type: none"> • In paper form • Electronically: <ul style="list-style-type: none"> – By email – Posting on our website or on http://www.healthcare.gov, but Coventry must notify the group by paper or email that the SBC is available at a specific website address.

HOW WILL THE SBC BE FORMATTED? Along with the final rule, the U.S. Department of Health and Human Services released the format of both the SBC and the glossary. For instance, the SBC will be no longer than four double-sided pages, have a 12-point font and use terms that are understandable to the average member.

WHAT INFORMATION MUST BE PART OF THE SBC? The SBC that we will provide will include all the information required by ACA rules. Some of that information will include the description of coverage, deductible amounts and coinsurance obligations.

WHAT IS THE UNIFORM GLOSSARY FINAL RULE? ACA rules require a glossary to be sent as a separate document accompanying the SBC. The glossary must provide uniform definitions for all required terms so they can compare and understand terms of coverage as well as medical benefits and exclusions. The glossary must be provided to members upon request in paper or electronic form, as requested, within seven business days of the request.