The Affordable Care Act:

Guide to the Summary of Benefits and Coverage

for Employers

BlueCross BlueShield of Illinois

Under the Affordable Care Act, all health insurers and group health plans are required to provide consumers with a Summary of Benefits and Coverage (SBC). The SBC is a summary of the benefits and health coverage offered by a particular plan. The SBC is intended to provide clear, consistent, easy-to-understand descriptions that may make it easier for people to understand their health insurance coverage and for consumers to shop for and compare insurance plans.

The SBC is completed using a government designed template, so the SBC will be consistent across all health insurance plans and will include:

- What is covered by the plan
- What is not covered by the plan
- Cost-sharing provisions and exclusions
- Coverage Examples
- A web site and phone number for customer service and obtaining more information

The items in the SBC just represent an overview of coverage; they are not an exhaustive list of what is covered or excluded. The full terms of coverage are located in the insurance policy.

Will the SBC be available in foreign languages?

The Affordable Care Act requires that the SBC "is presented in a culturally and linguistically appropriate manner." The regulations state that if at least 10% of the population living in a particular county is literate only in the same non-English language, health insurance issuers or group health plans must provide:

- Interpretive services and written translations of the SBC upon request in certain, specified non-English languages
- English versions of the SBC that must disclose availability of language services in the relevant language

Who is impacted by this requirement?

The SBC requirement applies to health insurance issuers offering insurance in both the individual and group markets. It also applies to group health plans, both fully insured and self-insured. The SBC is not required for stand-alone retiree-only plans, stand-alone dental and vision plans, Health Savings Accounts and Flexible Spending Arrangements (when they are excepted benefits).

When is the SBC provided?

It must be provided at certain specified times, which include:

- Upon application
- At enrollment
- Annually at re-enrollment
- Upon request (no more than 7 business days after the request)
- At special enrollment (must be provided within 90 days after enrollment)

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A request may come from an individual or dependent enrolled in an individual health insurance policy, from a participant or beneficiary enrolled in a group health plan, or from non-members who are shopping for coverage, despite the fact that they are not enrolled with us.

If a group health plan or health insurance issuer makes any changes to the terms of coverage, a ***Notice of Material Modification*** must be provided no later than 60 days prior to the date the change becomes effective. This notice is only required when the change in coverage is not included in the most recent SBC and when the change is outside a renewal or reissuance of coverage.

A material modification may be:

- An enhancement or reduction in benefits
- A change in the plan or policy terms
- A reduction in cost sharing
- Coverage of previously excluded benefits
- Stricter requirements for receipt of benefits

When does this provision go into effect?

The effective dates for this requirement are different depending on the situation.

- For any enrollment through an open enrollment (OE) period, the SBC must be provided beginning on the first day of the first OE that begins on or after September 23, 2012.
- For any enrollment other than through an OE period, the SBC must be provided beginning on the first day of the first plan year that begins on or after September 23, 2012.

Below are some typical scenarios to help explain when an SBC will be provided in the group market.

Scenario	Is SBC required?	When do the SBC requirements take effect?
Open Enrollment		
Group has OE starting 10/1/12	Yes (during OE)	During the plan's OE period
Group has OE starting 9/1/12	No (not during this year's OE)	During the plan's OE period after 9/23/12. In this case, it would be 9/1/13.
Special Enrollee (Outside OE period)		
Group has OE from 9/1/12 to 9/30/12 for effective date 1/1/13. A new enrollee joins the plan effective 10/1/12	No	Starting on the first day of the first plan year after 9/23/12. In this case, it would be 1/1/13.
Group has OE from 10/1/12 to 10/30/12 with a calendar year plan that begins 1/1/13. A new enrollee joins the plan effective 11/10/12.	No	Starting on the first day of the plan year after 9/23/12. In this case it would be 1/1/13. For new enrollees who join prior to 1/1/13, an SBC would not be required. Any enrollee who joins on or after 1/1/13 would receive an SBC within 90 days of their enrollment.
Upon Request		
On or after 9/23/12, a plan administrator requests an SBC	Yes	Within 7 business days

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Who is responsible for providing the SBC?

The legal obligations are not the same for fully insured and self-insured plans. It is important to know what is expected of you and your health insurance plan.

Fully Insured Groups

By law, the insurer and the employer each have the independent responsibility of creating and distributing the SBC for fully insured health plans.

Our approach to fully insured groups:

- We will create the SBC for all fully insured plans and ensure that information is accurate.
- We will only create the SBC for medical benefits that we administer. The employer is responsible for gathering information for benefits that we do not administer. The employer might then choose to synthesize this information into a single SBC or provide multiple partial SBCs, where permitted by law.
- The group administrator will access the SBC using our SBC tool and will distribute it to members.
- A link with access instructions to our SBC site will be distributed to all group administrators. Group administrators will have the ability to log on to the site to access their plan's SBC.
- For new groups sold after 10/01/12, the group administrator can access the SBC tool for that standard plan and distribute to the group.
- We will provide translation services and provide the SBC in foreign languages in accordance with the regulation. The employer must request the SBC in a foreign language. We will not automatically provide SBCs in foreign languages.

Self-Insured Groups

The law makes it the employer's responsibility to create and distribute the SBC for self-insured plans. The health insurer has no legal obligation to do so.

Our approach to self-insured groups:

- We will create the SBC for self-insured groups that request our services.
- The Account Executive (AE) and/or the plan administrator will validate and approve the information in the SBC.
- The AE for the group will access the SBC using our SBC tool.
- A link with access instructions to our SBC site will be distributed to all group administrators. Group administrators will have the ability to log on to the site to access their plan's SBC.
- The AE will email the completed SBC to the group, which will distribute it to members.
- We will provide translation services and provide the SBC in foreign languages in accordance with the regulation. We will not automatically provide SBCs in foreign languages.