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Final Guidance on Summary of Benefits and Coverage

On Feb. 9, 2012, the Departments of Health and Human Services, Labor and Treasury (Departments) released much-anticipated final guidance on the requirement for health plans and health insurance issuers to provide a **summary of benefits and coverage** to applicants and enrollees.

The health care reform law created the summary of benefits and coverage, or SBC, to provide consumers with simple and straightforward information on plan coverage in a uniform format. According to the Departments, the SBC will help consumers better understand the coverage they have and compare differences in benefits and coverage when they are shopping for a new plan.

FINAL SBC GUIDANCE

To implement this disclosure requirement, the Departments released final regulations outlining standards for preparing and providing the SBC. The final regulations modify the proposed SBC guidance that was issued in August 2011.

In addition to the final regulations, the Departments also provided a final template for the SBC (along with instructions, samples and a guide for the coverage example calculations to be included in the SBC) and the uniform glossary explaining terms commonly used in health coverage.

The final regulations, template and uniform glossary are available through the Department of Health and Human Services at: http://cciio.cms.gov/programs/consumer/summaryandglossary/index.html.

DEADLINES

Because final SBC guidance has now been released, plans and issuers must prepare to start providing the SBC. Originally, the health care reform law specified a March 23, 2012 deadline for plans and issuers to start providing the SBC. Given the lack of final guidance, the Departments delayed this compliance deadline.

Now that final guidance has been released, the Departments specified the following deadlines:

- Beginning on the first day of the **first open enrollment period** that begins on or after **Sept. 23, 2012**, plans must provide the SBC to participants and beneficiaries who enroll or re-enroll for coverage during the open enrollment period.
- Beginning on the first day of the **first plan year** that begins on or after **Sept. 23, 2012**, plans must provide the SBC to participants and beneficiaries who enroll for coverage other than through an open enrollment period, such as newly eligible individuals and special enrollees.
- Issuers must begin providing the SBC to plans on **Sept. 23, 2012**.

Thus, calendar year plans with an annual open enrollment period that takes place before the start of the plan year will generally need to start providing the SBC on the first day of the open enrollment period for the 2013 plan year.

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