



. . . Health Care Reform

FAQs About SBCs Address Complex Issues

On May 11th, the Departments of Health and Human Services, Labor and Treasury answered 14 questions about Summaries of Benefits and Coverage ("SBC").

This article will focus on three of the Q&As:

Electronic SBCs. Electronic SBCs may be provided in connection with an online enrollment or renewal, provided the individual has the option to receive a paper copy upon request. This is a special SBC safe harbor rule and does not require employees in ERISA covered plans to authorize electronic communications in advance.

Sample Cost of Care. Sample cost of care in the SBCs must be based on national averages supplied by the U.S. Department of Health and Human Services (and cannot be specific to a particular geographical area or health plan). The Departments are developing a calculator that can be used as a safe harbor to calculate the cost of care for the first year of applicability, based on discrete number of elements about the benefit package. The calculator inputs will be from data fields used to populate the front portion of the SBC template. The output will be a coverage example that can be included in the SBC. The calculator (and algorithm used to create the calculator) will be posted on the HHS website soon.

Multiple Plan Options. Finally, two options have been provided for issuers or plans that have two or more separate products or benefit packages provided by separate insurers or plans, such as outpatient prescription drug coverage. The options are to either:

- Synthesize the information into a single SBC (or to contract with one of the issuers or provider's to perform that function); or
- For the first year of applicability provide multiple partial SBCs that together provide all the relevant information to meet the SBC requirements. This alternative requires a notice of the multiple issuers or providers, how they work together and who to contact for more information. This can be provided in a cover letter or other notation.