

Health Care Reform Update: New Summary of Benefits and Coverage Form Required in 2017

The U.S. Department of Labor has posted new Summary of Benefits and Coverage (SBC) templates that employers will be required to distribute in plan year 2017. The new template is shorter and more streamlined, and will include one additional cost example.

The Affordable Care Act (ACA) requires that sponsors of group health plans distribute SBCs to enrollees. The SBC is used to describe benefits and coverage, allowing enrollees to compare different plans. The SBCs also contain cost examples which demonstrate how the plan covers different real-life treatments. The current cost examples are birth of a baby and managing type 2 diabetes. The new SBC will also include a third cost example: foot fracture treated in the emergency room.

The National Association of Insurance Commissioners (NAIC) led the SBC revision process. The goals were to improve the SBC template, instructions and uniform glossary. A source working on the NAIC SBC revision process admitted to challenges with the length of the document. The length of the NAIC's first draft did not align with the length in mind by the federal agencies in charge of ACA implementation. Proposed in August 2015, the NAIC's first draft was four double-sided pages. It has been replaced by a shorter version released on Feb. 25, 2016. The new template is two-and-a-half double-sided pages. The federal agencies managing ACA wanted to ensure that the SBC would not exceed four double-sided pages once "filled out."

What This Means for Counties

Per the ACA, a new SBC template will be used effective plan year 2017. CTSI will keep County Health Pool member entities updated regarding the new SBCs.

For more information, contact CTSI at 303-861-0507.