



# ACA COMPLIANCE BULLETIN

## NEW SBC TEMPLATE REQUIRED FOR 2018 OPEN ENROLLMENT

### OVERVIEW

The updated template and related materials for the [summary of benefits and coverage](#) (SBC) are required to be used for annual open enrollment periods beginning on or after April 1, 2017. For calendar year plans, this means that **the updated template must be used for the 2018 open enrollment period.**

The SBC is a concise document providing simple and consistent information about health plan benefits and coverage. It is intended to help consumers better understand their coverage and to make it easy to compare different options when shopping for new coverage.

### ACTION STEPS

Employers should prepare to use the new SBC template and related materials for the 2018 open enrollment period. Prior to the beginning of the 2018 open enrollment period:

- ✓ Self-funded plan sponsors should ensure that they are using the new template.
- ✓ Employers with insured plans should make sure the carrier is providing the correct version of the template.

### HIGHLIGHTS

- The SBC is a concise document providing information about health plan coverage and costs.
- The SBC requirement applies to group health plans and health insurance issuers.
- For calendar year plans, the updated template and related materials must be used for the 2018 open enrollment period.

### IMPORTANT DATES

#### April 6, 2016

Final revised SBC template and related materials released

#### April 1, 2017

Revised template and materials must be used for open enrollment periods beginning on or after this date

#### Provided By:

Insight Risk Management, LLC



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## Background

The Affordable Care Act (ACA) requires both grandfathered and non-grandfathered health plans and health insurance issuers to provide an SBC to applicants and enrollees, free of charge. The SBC must be produced in accordance with the applicable template. Form language and formatting must be precisely reproduced, unless instructions allow or instruct otherwise. Unless otherwise instructed, the plan or issuer must use 12-point font (as required by federal law), and must replicate all symbols, formatting, bolding and shading.

The Departments of Labor (DOL) and Health and Human Services (HHS) issued the updated SBC template and related materials on April 6, 2016.

- ✓ **Plans with annual open enrollment periods** must start using the new template on **the first day of the first open enrollment period that begins on or after April 1, 2017**, with respect to coverage for plan or policy years beginning on or after that date.
- ✓ **Plans without an annual open enrollment period** must start using the new template on **the first day of the first plan or policy year that begins on or after April 1, 2017**.

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## Key Changes to the SBC Template and Instructions

The new template is five pages (two and one-half double-sided pages) long, which is shorter than the prior six-page version. The updated template and instructions also differ from the prior versions as follows:

### Introduction

The revised SBC contains a new introductory paragraph, which provides information about the purpose and structure of the SBC. The introduction also links to the uniform glossary. In the introduction and throughout the SBC, terms defined in the uniform glossary are hyperlinked directly to the definitions in electronic versions of the SBC.

### Important Questions

The “Important Questions” section was revised to include a question about services covered before the deductible is met. Questions about annual limits and services not covered have been deleted, although the SBC still includes information on services that are not covered in a separate section. Questions regarding out-of-pocket limits and network providers were rephrased to help consumers better understand plan terms.

### Disclosures

The SBC contains information regarding continuation coverage and grievance and appeal rights. These disclosures were revised in the updated template. The SBC also contains information on whether the plan

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provides minimum essential coverage and minimum value. This information must be provided as a “yes” or “no” answer, along with specific language regarding potential tax consequences for the individual.

## ***Coverage Examples***

The SBC includes coverage examples that demonstrate the cost-sharing amounts an individual might be responsible for in three common medical situations. In addition to the existing coverage examples that address diabetes care and childbirth, the updated template includes a new coverage example that addresses coverage for a foot fracture, to provide information about what a plan covers in an emergency scenario. The page regarding assumptions and other information about the examples was eliminated.

## ***Instructions***

The instructions provide additional information regarding permissible font types and margin adjustments, and note that the SBC must not exceed four double-sided pages. The instructions retain the special rule that, to the extent that a plan’s terms cannot reasonably be described in a manner consistent with the template and instructions, the plan or issuer must accurately describe the relevant plan terms while using its best efforts to do so in a manner that is still as consistent with the instructions and template format as reasonably possible.

The instructions also provide additional flexibility under the special rule for combining information on different cost-sharing selections or add-ons to major medical coverage (such as health flexible spending accounts, health reimbursement arrangements, health savings accounts or wellness programs) in one SBC. The information must be understandable if it is combined.

## **More Information**

For more information on the updated SBC template and related materials—such as the instructions for completing the SBC—see the DOL or HHS websites:

- DOL: <http://www.dol.gov/ebsa/healthreform/regulations/summaryofbenefits.html>
- HHS: <https://www.cms.gov/ccio/Resources/Forms-Reports-and-Other-Resources/>