



Health Reform Notice

SBC Requirements Effective September 23

One of the new compliance requirements added by the Patient Protection and Affordable Care Act ("PPACA") is the obligation to furnish participants in a group health plan with a Summary of Benefits and Coverage or "SBC." The Summary of Benefits and Coverage is a 4-page summary of material provisions of a health plan in a uniform format, accompanied by a glossary of health coverage and medical terms.

The initial SBC must be distributed to participants and beneficiaries who enroll or re-enroll during an open enrollment period that begins on or after **September 23, 2012**. Insurance carriers will provide the new summary upon a new group application, upon renewal or upon request. The new SBC will be available in paper form or electronic format. Group administrators can use the electronic format to fulfill the requirements set in place by PPACA.

The obligation to furnish an SBC applies to all group health plans. The requirement is in place for fully insured, self-funded and individual medical plans. Stand alone dental and vision plans, retiree medical plans and

Medicare/Medicaid plans are not required to use the new SBC format.

The SBC helps health plan members understand their benefits and coverage by using simple language and a consistent format. The SBC will generally include a description of coverage, examples of coverage, appeals and grievance rights, and exceptions and limitations.

Your Sisk & Co. benefit team has access to the new forms and will help you in the distribution process. The SBC's will be available through your group insurance carrier's on-line web portals and by written or verbal request.

Distributing the new plan description forms to new employees and at open enrollment cannot be overlooked. The Federal Government has set fines of up to \$1000 per consumer when insurers or plan administrators willfully fail to provide the SBC. The state insurance department can also impose fines in accordance with state regulations.

We are always available to discuss the new provisions and give you guidance on complying with the regulations. The U.S. Department of Labor and the Centers for Medicare and Medicaid Service also have resources that answer questions on the PPACA regulations.

