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## ***Proposed PPACA Benefit Summary Rules Released***

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Beginning March 23, 2012, all health insurance plans will be required, under the PPACA, to provide participants with a simplified Summary of Benefits and Coverage (SBC) – and to do so within seven days of a participant's request.

The new SBC will feature a standardized format provided by the Department of Health and Human Services (HHS). The SBCs will not be structured like a typical health insurance plan's "schedule of benefits". Instead there will be five sections to the SBC:

1. What this Plan Covers and What it Costs
2. Excluded Services & Other Covered Services
3. Your Right to Continue Coverage
4. Your Grievance and Appeals Rights
5. Examples of how the plan might cover medical expenses in three standard situations: having a baby, treating breast cancer, and managing diabetes (additional scenarios may be added in the future)

Employers must also be prepared to provide a uniform glossary of terms commonly used in health insurance coverage.

The HHS hopes to address a general lack of information about health benefits among consumers. The summaries are designed to address those consumers who often have a difficult time wading through piles of explanations of benefits which are typically not easily comparable from plan to plan.

The Department of Labor (DOL) has provided links for these templates along with instructions. These are available at [www.dol.gov/ebsa/healthreform/](http://www.dol.gov/ebsa/healthreform/) under the Affordable Care Act Regulations & Guidance section. The regulations can be found in the Federal Register and comments are welcomed until October 21, 2011. Therefore, the final regulations may include slight modifications and clarification regarding acceptable streamlining compliance.

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### **Mid-Year Group Changes:**

One of the key changes from current notification requirements is employers must ensure updated SBCs are provided detailing material changes in health plans at least 60 days prior to any change taking effect. Fortunately, this will apply only to group health plans making material modifications mid-year. The provisions of the proposed regulations do not apply to changes made at renewal.

### **Renewal Changes:**

Changes adopted for a plan renewal must be reflected in the SBC no later than 30 days prior to the first day of the policy year or date the plan applies for the change if earlier.

### **Potential Fines and Penalties:**

As with many of the regulatory requirements enacted on employer plans, the regulations include a penalty of up to \$1,000 per willful failure to provide an SBC, and each enrollee who does not receive a timely and proper SBC will count as a separate failure.

*The SBC requirements and potential penalties apply to group health plans and do not apply to excepted benefits such as certain dental, vision and FSA arrangements regardless of grandfathered status.*

### **Questions:**

As a J.S. Clark client, you can rest assured our staff will work closely with you to ensure the compliance of your group health plan for these and all required regulatory frameworks. Please contact your Account Manager at **248.355.9600** if you would like additional information regarding this or other issues.