

## Appendix C SBC Comment Letter

### COMPARISON CHART

October 18, 2011

Comparison of group health plan disclosure requirements (content and format) under the Employee Income Retirement Security Act for Summary Plan Descriptions (SPDs) and under the Proposed Rule for the Summary of Benefits and Coverage (SBC) pursuant to the Affordable Care Act.

Requirement	Summary Plan Description (SPD)	Summary of Benefits and Coverage (SBC)
<b>Content of Disclosures</b>	<p>29 CFR §2520.102-3</p> <p>The SPD must include the following information:</p> <p><u>Specific Requirements for Health and Welfare Plans</u></p> <ul style="list-style-type: none"> <li>• Description or summary of benefits</li> <li>• Description of cost-sharing provisions, including premiums, deductibles, coinsurance, and copayment amounts</li> <li>• Any annual or lifetime caps or other limits on benefits.</li> <li>• The extent to which preventive services are covered.</li> <li>• Whether and under what circumstances existing and new drugs are covered.</li> <li>• Whether and under what circumstances coverages are provided for medical tests, devices and procedures.</li> <li>• Provisions governing the use of network providers.</li> <li>• The composition of the provider network (the list may be furnished as a separate document without charge).</li> <li>• Whether and under what circumstances out-of-</li> </ul>	<p>29 CFR §2590.715-2715 (Proposed Rule)</p> <p>The SBC must include the following information:</p> <ul style="list-style-type: none"> <li>• Uniform definitions of standard insurance and medical terms.</li> <li>• Description of the coverage including cost sharing, for each category of benefits identified by the [HHS] Secretary in guidance.</li> <li>• The exceptions, reductions, and limitations of coverage.</li> <li>• The cost-sharing provisions of the coverage, including deductible, coinsurance, and copayment obligations.</li> <li>• The renewability and continuation of coverage provisions.</li> <li>• Coverage examples.</li> <li>• With respect to coverage beginning on or after January 1, 2014, whether the coverage provides minimum essential coverage.</li> <li>• A statement that the SBC is only a summary and that the plan document, policy, or certificate of insurance should be consulted to determine the governing</li> </ul>

Requirement	Summary Plan Description (SPD)	Summary of Benefits and Coverage (SBC)
	<p>network services are covered.</p> <ul style="list-style-type: none"> <li>• Any conditions or limits on the selection of primary care providers or providers of specialty medical care.</li> <li>• Any conditions or limits applicable to obtaining emergency medical care.</li> <li>• Any provisions requiring preauthorization or utilization review as a condition to obtaining a benefit or service.</li> <li>• Rights to continuation coverage (e.g., COBRA).</li> </ul> <p><u>General Requirements for All Plans (Group Health Plans and Pension Plans)</u></p> <ul style="list-style-type: none"> <li>• Name and address of the employer or employee organization sponsoring the plan (in the case of a multi-employer plan you may indicate that the employers/employee organization information will be provided on request).</li> <li>• Employer identification number (EIN) for the plan.</li> <li>• Type of plan (e.g., group health plan).</li> <li>• Type of plan administration (e.g., contract administrator or insurer).</li> <li>• Name, business address and business telephone number of the plan administrator.</li> <li>• Name, title, and address of the agent for service of legal process.</li> <li>• Name, title, and address of the principal place of business of each trustee.</li> <li>• Rules regarding eligibility for participation and receipt of specific benefits.</li> <li>• Circumstances that may result in disqualification, ineligibility, or denial, loss, forfeiture, suspension, offset, reduction or recovery of any benefits (e.g., plan rights to subrogation or reimbursement).</li> </ul>	<p>contractual provisions of the coverage.</p> <ul style="list-style-type: none"> <li>• Contact information for questions and obtaining a copy of the plan document or insurance policy, certification or contract (e.g., telephone number and Internet address).</li> <li>• For plans and issuers that maintain provider networks, an Internet address (or similar contact information) for obtaining a list of network providers.</li> <li>• For plans and issuers that maintain a prescription drug coverage formulary, an Internet address (or similar contact information) for obtaining information on prescription drug coverage.</li> <li>• An internet address for obtaining the uniform glossary.</li> <li>• Premiums or cost of coverage.</li> </ul>

Requirement	Summary Plan Description (SPD)	Summary of Benefits and Coverage (SBC)
	<ul style="list-style-type: none"> <li>• Identity of any funding mechanism for the plan (e.g., insurance).</li> <li>• Date of the end of the plan year.</li> <li>• Procedures governing claims for benefits (including procedures for obtaining preauthorization, approvals, or utilization review services).</li> <li>• Statement of ERISA rights (e.g., contact information for regional Department of Labor office).</li> <li>• Certain additional requirements apply to plans that are maintained pursuant to one or more collective bargaining agreements.</li> </ul>	
<b>Format</b>	<p>29 CFR §2520.102-2</p> <p>The SPD must be:</p> <ul style="list-style-type: none"> <li>• Written in a manner calculated to be understood by the average plan participant; and</li> <li>• Sufficiently comprehensive to apprise the plan’s participants and beneficiaries of their rights and obligations under the plan.</li> </ul> <p>In satisfying the two above requirements, the regulations require the following:</p> <ul style="list-style-type: none"> <li>• The plan administrator must exercise considered judgment and discretion by taking into account such factors as the level of comprehension and education of typical participants in the plan and the complexity of the terms of the plan.</li> <li>• To this end, the regulations state that “[c]onsideration of these factors will usually require the limitation or elimination of technical jargon and of long, complex</li> </ul>	<p>29 CFR §2590.715-2715 and 42 CFR §147.200</p> <p>The Summary of Benefits and Coverage (SBC) must be provided as a stand-alone document in the form authorized by the HHS Secretary.</p> <p>The SBC must be presented in a uniform format, use terminology understandable by the average plan enrollee, not exceed four double-sided pages in length, and not include print smaller than 12-point font.</p>

Requirement	Summary Plan Description (SPD)	Summary of Benefits and Coverage (SBC)
	<p data-bbox="667 313 1213 399">sentences, the use of clarifying examples and illustrations, the use of clear cross references and a table of contents.”</p> <ul data-bbox="621 435 1251 954" style="list-style-type: none"> <li data-bbox="621 435 1251 521">• The format of the summary plan description “must not have the effect to misleading, misinforming or failing to inform participants and beneficiaries.”</li> <li data-bbox="621 557 1251 829">• Any description of exception, limitations, reductions, and other restrictions of plan benefits shall not be minimized, rendered obscure or otherwise made to appear unimportant. Additionally, “such exceptions, limitations, reductions or restrictions of plan benefits shall be described or summarized in a manner not less prominent than the style, captions, printing type, and prominence used to describe or summarize plan benefits.”</li> <li data-bbox="621 865 1251 951">• The advantages and disadvantages of the plan must be presented “without either exaggerating the benefits or minimizing the limitations. “</li> </ul>	