The Affordable Care Act:

Guide to the Summary of Benefits and Coverage

for Employers

BlueCross BlueShield of Illinois

Under the Affordable Care Act, all health insurers and group health plans are required to provide consumers with a Summary of Benefits and Coverage (SBC). The SBC is a summary of the benefits and health coverage offered by a particular plan. The SBC is intended to provide clear, consistent, easy-to-understand descriptions that may make it easier for people to understand their health insurance coverage and for consumers to shop for and compare insurance plans.

The SBC is completed using a government designed template, so the SBC will be consistent across all health insurance plans and will include:

- What is covered by the plan
- What is not covered by the plan
- Cost-sharing provisions and exclusions
- Coverage examples
- A web site and phone number for customer service and obtaining more information

The items in the SBC just represent an overview of coverage; they are not an exhaustive list of what is covered or excluded. The full terms of coverage are located in the insurance policy.

When is the SBC provided?

It must be provided at certain specified times, which include:

- Upon application
- At enrollment
- Annually at re-enrollment
- Upon request (no more than 7 business days after the request)
- At special enrollment (must be provided within 90 days after enrollment)

A request may come from an individual or dependent enrolled in an individual health insurance policy, from a participant or beneficiary enrolled in a group health plan, or from non-members who are shopping for coverage, despite the fact that they are not enrolled with us.

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When is a Notice of Material Modification required?

If a group health plan or health insurance issuer makes any changes to the terms of coverage, a Notice of Material Modification must be provided no later than 60 days prior to the date the change becomes effective. This notice is only required when the change in coverage is not included in the most recent SBC and when the change is outside a renewal or reissuance of coverage.

A material modification may be:

- An enhancement or reduction in benefits
- A change in the plan or policy terms
- A reduction in cost sharing
- Coverage of previously excluded benefits
- Stricter requirements for receipt of benefits

Will the SBC be available in foreign languages?

The Affordable Care Act requires that the SBC "is presented in a culturally and linguistically appropriate manner." The regulations state that if at least 10% of the population living in a particular county is literate only in the same non-English language, health insurance issuers or group health plans must provide:

- Interpretive services and written translations of the SBC upon request in certain, specified non-English languages
- English versions of the SBC that must disclose availability of language services in the relevant language

We will provide translation services and provide the SBC in foreign languages (Spanish, Chinese, Navajo and Tagalog) in accordance with the regulation.

Who is impacted by this requirement?

The SBC requirement applies to health insurance issuers offering insurance in both the individual and group markets. It also applies to group health plans, both fully insured and self-insured. The SBC is not required for stand-alone retiree-only plans, stand-alone dental and vision plans, Health Savings Accounts and Flexible Spending Arrangements (when they are excepted benefits).

Who is responsible for providing the SBC?

The legal obligations are not the same for fully insured and self-insured plans. It is important to know what is expected of you and your health insurance plan.

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Fully Insured Groups

By law, the insurer and the employer each have the independent responsibility of creating and distributing the SBC for fully insured health plans.

Our approach to fully insured groups:

- We will create the SBC for all fully insured plans.
- We will only create the SBC for medical benefits that we administer. The employer is responsible for gathering information for benefits that we do not administer.
  - ***For Standard fully insured plans***, the group administrator will access the SBC using our SBC tool and will distribute it to members. A link with access instructions to our SBC site has been distributed to all group administrators. Group administrators will have the ability to log on to the site to access their plan's SBC.
  - ***For Custom fully insured plans,*** the Account Executive (AE) will request our services to create the SBC per the Benefit Program Application (BPA). The plan administrator will validate and approve the information in the SBC. The AE will provide the completed SBC electronically to the group administrator, who will distribute it to members per the Benefit Program Application (BPA).
- We will provide translation services and provide the SBC in foreign languages (Spanish, Chinese, Navajo and Tagalog) in accordance with the regulation. The employer must request the SBC in a foreign language. We will not automatically provide SBCs in foreign languages.

Self-Insured Groups

The law makes it the employer's responsibility to create and distribute the SBC for self-insured plans. The health insurer has no legal obligation to do so.

Our approach to self-insured groups:

- We will create the SBC for self-insured groups that request our services per the Benefit Program Application (BPA).
- The plan administrator will validate and approve the information in the SBC.
- The AE will provide the completed SBC electronically to the group administrator, who will distribute it to members per the Benefit Program Application (BPA). If an ASO client request BCBSIL to print and mail the SBC to subscribers, a fee will be assessed as noted on the Benefit Program Application (BPA).
- We will provide translation services and provide the SBC in foreign languages (Spanish, Chinese, Navajo and Tagalog) in accordance with the regulation. The employer must request the SBC in a foreign language. A fee will be assessed. We will not automatically provide SBCs in foreign languages.

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In what format will the SBC be provided?

We will provide the final SBC as a PDF document.

Will BCBSIL include information for carved-out benefits, such as Rx, dental and behavioral health?

BCBSIL will only create the SBC for medical benefits that we administer. The employer is responsible for gathering information for benefits that we do not administer.

The employer might then choose to combine this information into a single SBC or provide multiple partial SBCs, where permitted by law. The Custom SBC will have form fields for the group/broker to enter the carve out information (i.e., Rx,) on to the medical SBC BCBSIL provides for review.

Will BCBSIL create and provide the SBCs for HMO accounts?

Yes.

Is the SBC mandated for retiree plans?

Yes. If the retiree plan is part of a group health plan, an SBC will be required for the medical portion of the health plan. Stand-alone retiree plans are exempt from the SBC provision.

For more information, visit the Affordable Care Act Resource Center on our website, bcbsil.com/affordable_care_act.

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