

Final SBC Template and Related Materials **Issue Date: June 2016**

The Departments of Labor, Treasury, and Health and Human Services (“the Departments”) have released final versions of the Uniform Summary of Benefits and Coverage (SBC) template, instructions, sample language, and Uniform Glossary (“glossary”), along with a Coverage Examples Calculator and related instructions. Group health plans and issuers must begin using the final templates on the first day of the first open enrollment period, plan year, or policy year beginning on or after April 1, 2017.

Background

The Affordable Care Act (ACA) requires that an SBC and an accompanying uniform glossary be provided for all group health plans “to help plans and individuals better understand their health coverage.” Plans and issuers must provide an SBC and accompanying uniform glossary to applicants and enrollees, including beneficiaries, at the time of application, enrollment, or reenrollment. The SBC requirement applies to group health plans (both self-insured and fully-insured, and including grandfathered group health plans) and insurers. Certain excepted benefits and retiree-only plans are exempt.

The Departments have issued several revisions to the SBC template and related materials since the first set was released in February 2012. In February 2016, the Departments released the most recent version of proposed updates to the SBC, glossary, and instructions and requested public comments through the end of March. The documents released last week are the finalized version of that proposal.

Changes to Revised SBC Template, Instructions, & Glossary

The final SBC template and related materials do not differ significantly from the versions proposed in February (which we described in our March Compliance Alert entitled [Proposed Revisions to SBC and Uniform Glossary Modifications](#)). The most notable changes and additions are described below.

SBC Template

In addition to the changes included in the proposed template released in February, the final template now includes embedded hyperlinks in all defined terms that direct an individual to the associated definition in the Uniform Glossary. (Plans and issuers are not required to embed links in the SBC; however, HHS will contain a “micro-site” for the Uniform Glossary to which plans have the option of electronically linking defined terms.)

The Coverage Examples have replaced the term “coinsurance” and replaced it with “cost-sharing” in the top portion of each coverage example, presumably to accommodate instances in which copayments may apply to a service.

Group Instructions

The final group instructions include instructions for linking defined terms in the SBC to the uniform glossary. It also revises the description of “embedded deductible” to more clearly explain how it works (i.e., that each family member on a plan must meet their own individual deductible

until the total amount of deductible expenses paid by all family members meets the overall family deductible). They also incorporate specific language that must be included in the “Why This Matters Column” in cases where no services are covered before the deductible is met; no out-of-pocket limit applies to a plan; and when no deductible applies to a certain service.

With respect to the Coverage Examples, the final group instructions specify that plans and issuers should specify the particular cost-sharing category (i.e., coinsurance or copayment) for each line of the template in order to accurately reflect the plan. (This provision is mirrored by changes made to the Coverage Examples in the SBC template, as described above.) Plans and issuers are also required to include language describing the existence of other deductibles for specific services that would cause the deductible amount listed in the bottom portion of the Coverage Example to exceed the overall deductible amount listed.

Finally, the final instructions include special rules for qualified health plans (QHPs) sold through the Small Employer Health Options Program (SHOP), requiring the plan or issuer to include an addendum with 15 language taglines as required under the implementing regulations for Exchanges. The instructions clarify that the addendum will not count toward the SBC page limit.

Uniform Glossary

No substantive changes were made to the final uniform glossary.

Coverage Example Calculator & Instructions

The Departments posted an updated coverage example calculator and related instructions. The calculator has a revised format, and includes a new option for plans and issuers to calculate costs in “single plan” or “multiple plan” mode. (Selecting “multiple plan” mode allows the user to upload data and run the calculator from multiple plans.) The instructions have been changed substantially from those currently in use and should be reviewed carefully.

Summary

There were no major surprises in the final version of the SBC template and related materials. Coupled with the 2017 compliance deadline, plans and issuers have some time to familiarize themselves with the changes and resolve any questions or issues before adoption is required.

The final SBC template, instructions, uniform glossary, and coverage example calculator & instructions can be found [here](#).

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