



Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #13

May, 2013

Changes Made to the Summary of Benefits and Coverage (SBC) Template

The Department of Labor (DOL), Health and Human Services (HHS), and the Internal Revenue Service (IRS) have jointly issued an additional set of FAQs addressing changes being made to the Summary of Benefits and Coverage (SBC) for coverage beginning on or after January 1, 2014 and before January 1, 2015. An updated SBC template and sample completed SBC have also been issued. Below are the highlights:

- The updated sample SBC template will require information about whether the plan or coverage provides “minimum essential coverage” and satisfies the “minimum value” standard. Because the agencies feel it may be difficult for a plan or insurer to modify its SBCs to add the new information, they will allow the minimum essential coverage and minimum value information be placed in a cover letter or similar document provided with the SBC. Model language is provided along with the template SBC in the “SBC Template” link below. The new SBC disclosures on minimum essential coverage and minimum value can be relevant because enrollment in minimum essential coverage is required to avoid individual mandate penalties and information about minimum value is relevant for determining potential eligibility for subsidized exchange coverage.
- The agencies have indicated that no changes have been made to the uniform glossary or to the instructions for completing the SBC.
- No changes have been made to the SBC template regarding prohibition on imposing annual limits on the dollar value of essential health benefits effective January 1, 2014. The agencies have indicated that no enforcement action will be taken against a plan or insurer that modifies its SBC for the second year of applicability by removing the entire row containing the question “Is there an overall annual limit on what the plan pays?”
- In an effort to ensure a smooth transition to the changes in 2014, the agencies have extended existing enforcement relief through the end of the second year of applicability relating to areas such as the circumstances in which the SBC may be provided electronically, penalties for failure to provide the SBC or uniform glossary.

For a copy of the FAQ or the SBC Template and Sample Completed SBC, please use the links below:

[**FAQs**](#)

[**SBC Template**](#)

[**Sample Completed SBC**](#)

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