

SUMMARY OF BENEFITS AND COVERAGE FACT SHEET



INFORMED ON REFORM

Overview

The purpose of the Summary of Benefits and Coverage (SBC) is to provide individuals with standard information so they can compare medical plans as they make decisions about which plan to choose.

Effective September 23, 2012, health insurers and self-insured group health plans must provide an SBC at these times:

- ▶ When individuals enroll in coverage for the first time
- ▶ At the beginning of each new plan year
- ▶ Within seven business days, if an individual requests a copy

On April 6, 2016, the Department of Labor (DOL) issued final regulations on a new SBC template, instructions and related documents for materials created on or after April 1, 2017.

What information must be included in an SBC

An SBC must be created by inserting plan details into predetermined rows and columns using the exact wording, format and layout provided.

Links to SBC templates, instructions and related materials are available at <https://www.dol.gov/agencies/ebsa>.*

While the documents have changed slightly since 2012, the general format of the current template is similar to the original version. An SBC document created on or after April 1, 2017 includes these components:

Four-page benefit summary	Four-pages (two-sided, eight pages maximum, 12-point font, in color or grayscale); can be included in another document, but must be placed prominently at the beginning.
Coverage examples	Estimated customer costs for three medical scenarios – having a baby, managing type 2 diabetes, and emergency room treatment for a simple fracture. The estimates are based on national average costs and in-network benefit levels under each plan.
Website and phone number	A prominently displayed website and phone number where individuals can get additional information.
Glossary	Definitions of common medical and insurance terms. The glossary must be provided on request and is posted on www.healthcare.gov .*
Minimum Essential Coverage/ Minimum Value Standard	Information on whether the plan meets Minimum Essential Coverage and/or Minimum Value Standard requirements must be included.

Overview of SBC requirements

Effective date	SBCs are required for all plan years or open enrollment periods beginning on or after September 23, 2012.
Types of plans affected	<p>SBCs are required for:</p> <ul style="list-style-type: none"> • Individual medical policies • Insured and self-insured group medical plans, regardless of grandfathered status <p>SBCs are not required for:</p> <ul style="list-style-type: none"> • U.S.-issued expatriate plans • Retiree-only plans • Medicare plans • Stand-alone dental and vision plans
Who is responsible for providing the SBC	<ul style="list-style-type: none"> • Individual plans: The insurer • Insured employer plans and HMOs: The insurer and the employer can determine who takes responsibility • Self-insured plans: The employer
SBC timing for employees	<p>SBCs must be provided during each annual enrollment:</p> <ul style="list-style-type: none"> • If an employee must enroll to continue coverage, the SBC must be provided when open enrollment materials are distributed. • If enrollment materials are not distributed, employees must receive an SBC by the first day they are eligible to enroll. • For insured plans, if coverage continues automatically for the next year, the SBC must be provided at least 30 days before the beginning of the new plan year. If the policy is not issued by that date, the SBC must be provided within seven business days once the information is available. • An individual must receive an SBC for the plan in which he or she is enrolled. SBCs for other available plans must be provided on request. • If any benefit changes are made between the time the SBC is provided and the coverage becomes effective, an updated SBC must be provided. <p>The SBC must be provided within 90 days after an individual enrolls due to a special enrollment event. When an employee requests an SBC, it must be provided within seven business days.</p>
Paper and electronic delivery of SBCs to employees	<p>Information may be provided in either paper or electronic format.</p> <p>If an SBC is provided electronically to currently enrolled employees, the plan must comply with the ERISA rules for electronic delivery.</p> <p>For employees not yet enrolled, the SBC may be provided electronically by email or posted on the Internet. If posted on the Internet, the location must be prominent and readily accessible and individuals must be notified about where they can access the SBC and that a paper copy is available at no cost on request.</p>
Language requirements	<p>If a certain percentage of the population in a county speaks a language other than English, the availability of materials in the non-English language must be communicated by:</p> <ul style="list-style-type: none"> • Including a notice of the availability of language assistance • Providing translation upon request in certain limited languages (currently Spanish, Traditional Chinese, Tagalog and Navajo)
Penalty for noncompliance	The penalty for willful noncompliance is up to \$1,156 per enrollee for each failure to comply. Other ERISA and tax penalties may apply.
Who is responsible for paying penalties	<ul style="list-style-type: none"> • Individual plans: The insurer • Insured employer plans and HMOs: The employer and the insurer share the responsibility • Self-insured plans: The employer

60-day notice for material modifications during the plan year

If any material change is made to a plan during the plan year that is not reflected in the most recent SBC, a notice must be provided at least 60 days before the effective date of the change.

A material change is any change that would be considered by an average participant to be an important enhancement or reduction in benefits. Changes made at annual renewal do not require 60-day advance notice.

How SBCs can be delivered to individual policyholders

An SBC may be provided in either paper or electronic format. It may be hand delivered or mailed. It may also be emailed or posted on the Internet after obtaining the individual's agreement to receive the SBC electronically.

If posted on the Internet, the individual must be notified about where the SBC is posted and that the SBC is available in paper form free of charge upon request.

The electronic version must be in a format that is readily accessible, prominently displayed and in a format that can be electronically saved and printed.

Before receiving an application, an insurer can comply with the requirement to provide an SBC by posting the required information on the health care reform web portal available through www.healthcare.gov.*



* Any reference to the information or websites of any non-Cigna-affiliated entity is provided for informational purposes and is not an endorsement. Cigna does not control the content or accuracy of these websites.

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