As a result of the Affordable Care Act (ACA), health insurance carriers and group health plans will be required to provide employees with a Summary of Benefits and Coverage (SBC) and a Uniform Glossary of commonly used terms beginning September 23, 2012. These documents are designed to help employees understand and evaluate their insurance choices.

The SBC includes information about:

> Deductibles, copays, and coinsurance
> Coverage exceptions, limitations, and exclusions
> Appeals and grievance rights
> Coverage examples for a normal delivery and managing type 2 diabetes.

The SBC is only a summary and does not replace contractual provisions of the plan or other plan documents (e.g., Member Payment Summary).

For more information about the SBC or for a copy of the Uniform Glossary, visit selecthealth.org/SBC.

CARRIER AND EMPLOYER RESPONSIBILITIES

**Fully insured employers** share responsibility with SelectHealth® to provide an SBC to employees. SelectHealth will create the SBC and the employer will be responsible to distribute it to each eligible employee, in accordance with the ACA's requirements.

**Self-funded employers** are entirely responsible for the creation and distribution of the SBC. However, SelectHealth will create an SBC for the group upon request (additional fees may apply).
FULFILLING THE MANDATE

SelectHealth will provide an SBC to the employer in the following circumstances:

- Within seven business days after receiving an application for coverage
- By the effective date of coverage, if there are any changes to the initial SBC
- When renewal materials are distributed, if a written renewal application is required
- Forty-five days before the plan’s renewal, or within seven business days of receiving the group’s intent to renew (whichever is later), if a written renewal application is not required
- Within seven business days of receiving a request from the employer

The employer is responsible to provide an SBC to employees in the following circumstances:

- In an application or enrollment materials, if the plan distributes written enrollment materials
- If the plan does not distribute written enrollment materials, no later than the first date on which the employee is eligible to enroll for coverage
- By the effective date of coverage, if there are any changes to the initial SBC
- Within 90 days of special enrollment right (e.g., marriage, birth of a child, loss of other coverage)
- As part of open enrollment renewal materials, if the member is required to elect to maintain coverage, or has the opportunity to change coverage options during an annual open enrollment period

> Thirty days before the plan’s renewal, or within seven business days of receiving the group’s intent to renew (whichever is later), if a written renewal application is not required
> Within seven business days of receiving a request from the employee

MATERIAL MODIFICATIONS

Material modifications such as increasing, reducing, or eliminating a benefit require that employees receive an updated SBC 60 days prior to the effective date of the change.

FOR BENEFITS NOT ADMINISTERED BY SELECTHEALTH

If an employer wishes to include benefits from multiple carriers in one SBC, SelectHealth will provide a template upon request. However, the employer will be responsible for all content in the document. For more information, contact your SelectHealth account manager.

PENALTY FOR FAILURE TO COMPLY

A financial penalty may be assessed for each failure to comply with the mandated distribution requirements. For more information about compliance or the SBC, visit dol.gov/ebsa/healthreform.