

From: DHHS/CMS/OA/CCIIO/Office of Health Insurance Exchanges
To: Office of Management and Budget
Re: Proposed Revision to Notice of Action: Summary of Benefits and Coverage and Uniform Glossary Final Rule (OMB Control Number 0938-1146)
Date: 24 April 2013

Summary

In February 2012, the Departments of Health and Human Services, Labor and the Treasury (the Departments) released final regulations implementing the summary of benefits and coverage and uniform glossary requirements (45 C.F.R. 147.200) . These final regulations set forth the requirements for group health plans and health insurance issuers offering group and individual coverage to provide the uniform disclosure of insurance information called the summary of benefits and coverage.

For the first year of implementation, the Departments issued SBC template that included all required content, excluding content that was not required until 2014. The original SBC requirements, as specified in §147.200(a)(2), clarified that a plan or issuer will populate the SBC with the applicable plan or coverage information, including the following: (1) a description of the coverage, including cost sharing, for each category of benefits identified in guidance by the Secretary; (2) exceptions, reductions, and limitations of the coverage; (3) the cost-sharing provisions of the coverage, including deductible, coinsurance, and copayment obligations; (4) the renewability and continuation of coverage provisions; (5) coverage examples that illustrate common benefits scenarios (including pregnancy and serious or chronic medical conditions) and related cost sharing; (6) identifying information for the plan or coverage and contact information for questions and for obtaining a copy of the plan document or the insurance policy, certificate, or contract of insurance (such as a telephone number for customer service and an Internet address for obtaining a copy of the plan document or the insurance policy, certificate, or contract of insurance); (7) for plans and issuers that maintain one or more networks of providers, an Internet address (or similar contact information) for obtaining a list of network providers; (8) for plans and issuers that provide prescription drug coverage through a formulary, an Internet address (or similar contact information) for obtaining information on prescription drug coverage; and (9) an Internet address (or similar contact information) where a consumer may review and obtain the uniform glossary.

In the final regulations (45 C.F.R. 147.200(a)(2)) and accompanying guidance (76 FR 52475) clarified that plans and issuers would be required to provide disclosures around minimum essential coverage and minimum value in year two of implementation. The final regulations clarified at 147.200(a)(2)(G) that the SBC must include, with respect to coverage beginning on or after January 1, 2014, a statement about whether the plan or coverage provides minimum essential coverage as defined under section 5000A(f) of the Internal Revenue Code and whether the plan's or coverage's share of the total allowed costs of coverage meets applicable requirements.

The year one SBC template did not include these disclosures.

In order to implement these requirements, the Departments need to issue an updated SBC template to include these required disclosures. These disclosures can be added to the existing template and notice was provided about the requirement to provide these disclosures for year two of applicability.

We do not anticipate that this amendment will result in a significant change in the burden to the regulated community. We are requesting that the PRA revision for this amendment be approved and issued by April 24th, so that the update templates can be made available for respondents in April 2013. This will enable plans and issuers to adopt the corrected SBC template and provide the SBC with the MV and MEC disclosures in time for open enrollment in the Exchanges.

Amendments

Amendments are needed around two issues:

- 1) Adding the required minimum essential coverage (MEC) disclosure.
- 2) Adding the required minimum value (MV) disclosure

(1) MEC disclosure

Currently, the SBC template does not include the minimum essential coverage disclosure. The proposed amendment would add this disclosure and require plans and issuers to indicate whether the coverage meets MEC or not.

(2) MV Disclosure

Currently, the SBC template does not include the minimum value disclosure. The proposed amendment would add this disclosure and require plans and issuers to indicate whether the coverage provides MV or not.

A draft of the SBC template with these edits is attached.

Anticipated Burden Impact

The change in this revision to the SBC template would update the template to include new required language around MEC and MV and plans and issuers would be required to insert stock response in these disclosures. Specially, they would insert “does” or “does not” into each of the required disclosures. Our current PRA package includes estimates around the burden of creating and providing the SBC in a manner consistent with the final regulations. The addition of these disclosures will not significantly impact the burden estimates, as the regulated community is required to make determinations about MEC and MV under other regulatory requirements, so the only burden imposed by this change is to restate whether

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW: This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the fullest extent of the law.

the coverage meets these requirements in the SBC template. Plans and issuers will have this information readily available and the potential increase in time and burden, as relates to the SBC, is nominal.

Additionally, the final regulations and guidance provided notice around these requirements, so the regulated community was aware of these changes.