

FAQS ABOUT AFFORDABLE CARE ACT IMPLEMENTATION (PART XXIV)

March 30, 2015

Set out below is an additional Frequently Asked Question (FAQ) regarding implementation of the Affordable Care Act. This FAQ has been prepared jointly by the Departments of Labor, Health and Human Services, and the Treasury (collectively, the Departments). Like previously issued FAQs (available at <http://www.dol.gov/ebsa/healthreform/> and <http://www.cms.gov/ccio/resources/fact-sheets-and-faqs/index.html>), this FAQ answers questions from stakeholders to help people understand the Affordable Care Act and benefit from it, as intended.

Summary of Benefits and Coverage

Public Health Service (PHS) Act section 2715, as added by the Affordable Care Act and incorporated by reference into the Employee Retirement Income Security Act and the Internal Revenue Code, directs the Departments to develop standards for use by a group health plan and a health insurance issuer offering group or individual health insurance coverage in compiling and providing a summary of benefits and coverage (SBC) that “accurately describes the benefits and coverage under the applicable plan or coverage.” On February 14, 2012, the Departments published joint final regulations to implement the disclosure requirements under PHS Act section 2715 and an accompanying document announcing the availability of templates, instructions, and related materials.¹ After the 2012 final regulations were published, the Departments released six sets of FAQs regarding implementation of the SBC requirements.² After consideration of the comments and feedback from interested stakeholders, on December 30, 2014, the Departments published a notice of proposed rulemaking, as well as a new set of proposed SBC templates, instructions, an updated uniform glossary, and other materials.³

Q1. In the December 2014 notice of proposed rulemaking, the Departments proposed changes to the SBC regulations, as well as a new SBC template and associated documents. Changes to the SBC regulations, template, and associated documents were proposed to apply beginning September 1, 2015. When do the Departments intend to

¹ See final regulations, published at 77 FR 8668 (February 14, 2012) and guidance document published at 77 FR 8706 (February 14, 2012).

² See Affordable Care Act Implementation FAQs Part VII (available at www.dol.gov/ebsa/faqs/faq-aca7.html and http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs7.html); Part VIII (available at www.dol.gov/ebsa/faqs/faq-aca8.html and http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs8.html); Part IX (available at www.dol.gov/ebsa/faqs/faq-aca9.html and http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs9.html); Part X (available at www.dol.gov/ebsa/faqs/faq-aca10.html and http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs10.html); Part XIV (available at www.dol.gov/ebsa/faqs/faq-aca14.html and http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs14.html); and Part XIX (available at www.dol.gov/ebsa/faqs/faq-aca19.html and http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs19.html).

³ See proposed regulations published at 79 FR 78577 (December 30, 2014).

finalize changes to the regulations, SBC template, and associated documents?

The Departments intend to finalize changes to the regulations in the near future, which are intended to apply in connection with coverage that would renew or begin on the first day of the first plan year (or, in the individual market, policy year) that begins on or after January 1, 2016 (including open season periods that occur in the Fall of 2015 for coverage beginning on or after January 1, 2016).

The Departments also intend to utilize consumer testing and offer an opportunity for the public, including the National Association of Insurance Commissioners, to provide further input before finalizing revisions to the SBC template and associated documents. The Departments anticipate the new template and associated documents will be finalized by January 2016 and will apply to coverage that would renew or begin on the first day of the first plan year (or, in the individual market, policy year) that begins on or after January 1, 2017 (including open season periods that occur in the Fall of 2016 for coverage beginning on or after January 1, 2017).

The Departments are fully committed to updating the template and associated documents (including the uniform glossary) to better meet consumers' needs as quickly as possible.