



DEPARTMENT OF INSURANCE

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Director

July 20, 2012
CB-129

Dave Heineman
Governor

BULLETIN

SUBJECT: REQUIREMENTS FOR A SUMMARY OF BENEFITS AND COVERAGE ("SBC") AND A UNIFORM GLOSSARY OF TERMS

Regulations promulgated under the Patient Protection and Affordable Care Act ("ACA") require all group and individual health plans to compile and provide a summary of benefits and coverage ("SBC") and uniform glossary of terms that accurately describe the benefits and coverage available under a particular plan.

Beginning September 23, 2012, SBCs must be provided in the following circumstances:

- Upon application. Whenever a plan or issuer distributes written application material, the SBC must be provided with those materials. If the issuer or plan does not distribute written material, the SBC must be provided no later than the first date on which a participant is eligible to enroll in coverage.
- By the first day of coverage (if there are any changes from the SBC provided with the written application materials).
- Special enrollees must be given an SBC no later than the date on which a summary plan description is required to be provided (90 days from enrollment).
- Upon renewal. An SBC must be provided at the same time as open enrollment/open season materials. If renewal is automatic, then the SBC must be provided no later than 30 days prior to the first day of the new plan or policy year.
- Upon request. The SBC must be provided upon request as soon as reasonable but no later than seven (7) business days following receipt of the request.
- When there is a material change in coverage during the plan year. In this instance, an updated SBC or a separate notice describing the material change ("notice of modification") must be provided 60 days prior to the changes taking effect.

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The regulations require that an SBC and/or notice of modification be provided to participants and beneficiaries who enroll or re-enroll in group health coverage through an open enrollment period (including re-enrollees and late enrollees), beginning on the first day of the first open enrollment period that begins on or after September 23, 2012. For participants and beneficiaries who enroll in group health plan coverage other than through an open enrollment period, the SBC regulations apply on the first day of the first plan year that begins on or after September 23, 2012. For individuals and dependents in the individual market, the SBC regulations apply beginning September 23, 2012.

Instructions for accessing the uniform glossary must be included with the SBC. In addition, the uniform glossary will be made available on several federal government websites, including the Federal Department of Labor's website and at HealthCare.gov. Carriers must provide a paper copy of the uniform glossary to policyholders within seven days of a request from a policyholder.

Applicable form filings filed with the Nebraska Department of Insurance must include the SBC and uniform glossary as part of the regular form filing, or as a separate filing, so long as the filing is done by the applicable dates outlined above. Any material changes to the coverage would also require an updated SBC. Both the policy/certificate with the material changes and the updated SBC should be filed with the Nebraska Department of Insurance for approval before implementation. All form filings will continue to be required to be filed through SERFF and should be filed timely to ensure the deadlines outlined above are met.

Entities should note that the regulations establish that the U.S. Department of Health and Human Services may impose monetary penalties for violation of the SBC requirements.

If you have additional questions regarding this Bulletin, please contact the Life and Health Division at 402-471-2201.



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