

Employee Benefits Update

August 20, 2011

NEW DISCLOSURES REQUIRED FOR GROUP HEALTH PLANS

Beginning March 23, 2012, you will need to provide employees with two new pieces of information about your group health plan—a Summary of Benefits and Coverage (an “SBC”) that includes coverage examples, and a Uniform Glossary of commonly-used health coverage terms.

Earlier this week, the government released model forms that can be used for these new disclosure requirements, which are designed to enhance consumer understanding and facilitate comparisons of different health coverage options.

The link to the model SBC template, a completed sample of the SBC, instructions about how to complete the SBC, coverage examples, and the Uniform Glossary can be found through a series of links on the Department of Labor’s website, which provides guidance on the Affordable Care Act:

http://www.dol.gov/ebsa/consumer_info_health.html

These new disclosure tools will need to be provided to individuals before they enroll in your plan for the first time; during annual open enrollment (at least 30 days before the new plan or policy year); and at least 60 days before any significant change in coverage takes effect. Individuals also must be provided these documents within 7 days of their request.

As you begin planning for your 2012 benefits and are working with your consultants and brokers to prepare materials that will satisfy these new disclosure obligations, please let me know how I can be of assistance.

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