



New SBC Template Implementation Announced

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The Departments of Labor (“DOL”), the Internal Revenue Service (“IRS”), and Health and Human Services (“HHS”) (collectively, “the Departments”) announced through Affordable Care Act (“ACA”) FAQ 30 that the new Summary of Benefits and Coverage (“SBC”) template and associated documents, published by the Departments on February 26, 2016, should be used for the open enrollment period that begins on or after April 1, 2017.

As background, the ACA requires an SBC to be provided to plan participants at time of enrollment. Significant penalties (up to \$1,000) may be imposed for each individual who does not receive this summary. If any material changes are made to the document outside of renewal, the participant must be notified 60 days prior to the effective date of the change.

As stated in FAQ 30, the Departments intend to review the comments and finalize the new SBC template and associated documents expeditiously (the comment period closes March 28, 2016). The Departments intend that health plans and issuers that maintain an annual open enrollment period will be required to use the new SBC template and associated documents beginning on the first day of the first open enrollment period that begins on or after April 1, 2017 with respect to coverage for plan years (or, in the individual market, policy years) beginning on or after that date. For plans and issuers that do not use an annual open enrollment period, the new SBC template and associated documents would be required beginning on the first day of the first plan year (or, in the individual market, policy year) that begins on or after April 1, 2017.

For further information, see FAQ 30:

<http://www.dol.gov/ebsa/faqs/faq-aca30.html>

Also, see the SBC regulations and templates available on the DOL’s EBSA site at:

<http://www.dol.gov/ebsa/healthreform/regulations/summaryofbenefits.html>