



HIGHMARK HEALTH CARE REFORM UPDATE

The Department of Labor recently released revised templates and additional FAQs related to the **Summary of Benefits and Coverage (SBC)**.

What's New?

- An SBC provided for coverage beginning on or after January 1, 2014, and before January 1, 2015, will need to state whether the plan provides "minimum essential coverage" (MEC) as required by the "individual mandate."
- It will also need to state whether the plan meets the "minimum value" (MV) requirement. Minimum value means the plan pays at least 60% of allowed charges for covered services, as required by the "employer mandate."

The Department of Labor provided a new template that incorporates these statements, but allows plans or issuers that are unable to modify their SBCs to continue using the current template as long as they provide a cover letter or other similar disclosure that confirms whether the plan meets the MEC/MV requirements.

Additional Safe Harbors Extended

Regulators are extending the safe harbors and enforcement relief provided last year. Penalties will not be imposed on plans/issuers that are working "diligently and in good faith" to comply.

The Department will:

- Continue to work with plans/issuers to help them come into compliance.
- Allow modifications to the SBC for plan terms/conditions that do not fit within the SBC requirements as long as the SBC is completed as closely in line with the instructions as possible.
- Allow electronic delivery if enrollment/renewal is electronic, if a person requests the SBC be provided electronically or in compliance with ERISA electronic delivery safe harbor.
- Permit continued use of the HHS coverage examples calculator.
- Allow "carved-out" benefits to be provided in separate SBCs "until further guidance is issued."
- Exempt fully insured and self-insured Expatriate and Medicare Advantage plans for 2014.
- Extend the anti-duplication rule to student health insurance - if another party (e.g., a health insurance issuer) provides a timely and complete SBC to the individual, the SBC requirement is satisfied.
- Extend relief to "closed blocks" of business to September 23, 2014, as long as the product is

not actively marketed, never provided an SBC and was not marketed after September 23, 2012. Closed blocks are plans that are no longer sold but may continue to have individuals enrolled.

Further communications will be issued once the regulations are reviewed.

In addition, Affordable Care Act Implementation FAQs Part XIV are available at <http://www.dol.gov/ebsa/faqs/faq-aca14.html>.

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