

BluePrints for Brokers Update

August 16, 2012

Health Care Reform Update – Summary of Benefits and Coverage

Highmark Blue Cross Blue Shield Delaware (Highmark Delaware) is committed to providing you with important information regarding health care reform. As you may know, the Affordable Care Act of 2010 requires group health plans (groups) and health plan carriers to provide a Summary of Benefits and Coverage (SBC) document to all enrolled and eligible employees and dependents. This new requirement applies to all health benefit plan offerings for the individual and group markets (with the exception of Medicare Supplement, Medicare Complementary and Medicare carve-out plans). SBCs are intended to make it easier for consumers to understand their health care benefits and compare various plans. Please note that the content and format of SBCs is dictated by the federal government.

Beginning on, or after, **September 23, 2012**, Highmark Delaware will provide SBCs to individual market members and groups prior to renewal or at the time of a new sale. SBCs will be sent in late September to those accounts that have already received renewal materials for effective dates of October 1, 2012 and later. It is important to note that groups will be responsible for the duplication and distribution of SBCs to eligible employees and dependents. Self-insured groups may need to amend their SBCs if they offer benefits in conjunction with other carriers or vendors (e.g., pharmacy).

Currently, there is an exception under the law for those health benefit plan designs that are not actively marketed. SBCs are not required to be distributed for these plans. Therefore, small employer groups and individual market members who are covered by plans that are not actively sold will not receive SBCs.

The rules for distributing SBCs are specific and complex. To assist groups with understanding these rules, Highmark Delaware will provide them with a summary of the new SBC requirements. Brokers and consultants will receive a copy of this summary in September. For more information, you can visit the Department of Health and Human Services' website at <http://cciio.cms.gov>.

If you have any questions about this communication, please contact your Marketing Representative.

Thank you for your continued business.

Sincerely,



David M. Buckler
Director, Sales and Broker Relations



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