

From: [Kim Lawson](#)
To: [E-OHPSCA2715.EBSA](#)
Subject: unsecure: PPACA requirements for Summary of Benefits
Date: Thursday, October 13, 2011 10:30:57 AM

Dear Department of Labor:

PPACA requirements have put a strain on the health benefits industry with another deadline of March 23, 2012 fast approaching. With several key items unresolved, we are respectfully requesting a delay in the effective date of the Summary of Benefits requirement for at least a year, also having it applicable at renewal of the group in order to allow time to meet the requirement.

Below are some of the key issues outstanding:

1. The proposed Summary of Benefits template is strongly geared towards the fully-insured point of view; however, the vast majority of US health plans are self-funded. The error is understandable since NAIC primarily works with state insurance departments in their management of the fully-insured health marketplace. Under ERISA's preemption provisions, state insurance departments generally do not have authority over self-funded welfare benefit plans so they really don't have the day-to-day experience with the flexibility most self-funded health plans operate.
2. The terminology used in self-funded programs does not usually coincide with that used by insurance carriers in their fully-insured policies of insurance. And so, flexibility should be the rule.
3. The template isn't user-friendly for the self-funded plan sponsor nor for third party administrators that will be managing the process for their employer clients. Using the template in the suggested version from the NAIC, with persons who will be covered by a self-funded program, could lead them to believe that the program they are looking at is a fully-insured program, which it would not be. Providing a self-funded version of the Summary will help dissuade them of such a belief. Keeping this distinction has been a priority of NAIC for years, so proceeding with the template would be a step backward.
4. A great deal of time will be required to create these Summaries. In the self-funded market each plan has customized features; often highlighting areas of need within the employer's group (e.g., high female population with extra emphasis on cancer screenings and mammograms or an integrated wellness program or benefit plan with 3-tiers for payment based on key-providers/in-network/out-of-network). These are not the standard plans used by many insurance carriers but effective in their way. In the current format, each summary will have to be individually crafted at a significant time and expense to the self-funded employer. If an employer has an indemnity plan, PPO plan, and a High Deductible HSA compatible plan, with 4 tiers of coverage each (single, single and spouse, single and children, and family) the number of separate Summaries multiplies quickly and becomes cumbersome.
5. Lastly, most fully insured programs are a fixed set of benefits offered by the carrier in their state. They may offer 20-30 plans and that is it. We have hundreds of

variations within the benefit plans we administer.

We thank you for your consideration to give us the time and opportunity to improve compliance with the changes that fit self-funded benefit plans and we look forward to a positive response to our suggestions. We would also suggest some discussion with the Society of Professional Benefit Administrators (SPBA), a professional organization representing hundreds of third party administrators like Custom Design Benefits, located in DC who can provide some guidance for the viewpoint of the self-funded industry.

Best regards,

Kim Lawson

Director of Sales

513-598-2934 direct

Custom Design Benefits, a third party administrator

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My schedule for the week of October 10th:

Monday – IN

Tuesday – IN

Wednesday – IN (lunch appt)

Thursday – OUT (meetings in and out of office all day)

Friday – IN before 10am, after 1pm

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