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Department of Labor  
Office of Health Plan Standards and Compliance Assistance

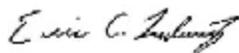
Re: Comments on Summary of Benefits and Coverage and Uniform Glossary NPRM, templates, instructions and related material (SBC)

Interactive Medical Systems, Corp (IMS), a third-party benefits administrator has reviewed the Interim Final Rules implementing the requirement of the Summary of Benefits and Coverage (SBC). IMS appreciates the opportunity to submit comments on the SBC, however, we have concerns about some of the requirements and how they will affect our client's self-insured plans. We have outlined our concerns for your review and consideration:

1. Translation – there are translation requirements for potentially four languages. It is much more cost effective if the government provides the documents already translated in all four languages. Otherwise, hundreds of organizations will be translating the same documents into the same languages. For cost and efficiency's sake, please issue five versions of the document.
2. Effective Date – most of the previously released ACA related regulations have taken effect on a plan's next plan year following guidance release. We want to be given the opportunity to comply. A rolling implementation is much more practical and it allows the process to evolve with practice over time. It is also less confusing to employees. It also gives the plan time to educate members who are used to seeing a different format of benefit summary. Please make March 23, 2012 a voluntary implementation date. Please make the beginning of the first plan year after March 23, 2012 the mandatory implementation date.
3. Under ERISA, a plan is already required to issue a SPD and SMM. This is costly duplicate work. Please allow an ERISA SPD and accompanying SMM to satisfy the SBC provisions.
4. Creation of the Summaries will require a great deal of employee time. In the self-funded market each plan has customized features. Each summary will have to be created at considerable 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 & spouse, single & children and family) the number of separate Summaries multiplies quickly.

5. Content of the SBC is from the fully insured world. Please consider revisions based on the fact that a high percentage of employer-sponsored plans are self-funded.
  - a. The terminology used in self-funded plans does not usually coincide with that used by insurance carriers in their fully insured policies. For example, “Premium” is not a term used in self-funding. “Employee contribution” is a more appropriate term.
  - b. The template is not user friendly for the self-funded plan sponsor or for the third party administrators who will be managing the process for their employer clients. Using the template in the suggested version from the NAIC could lead an individual to believe that the program they are looking at is a fully insured program when it is not. Providing a self-funded version of the Summary would eliminate that possibility.
  - c. The size of each text box to fill in is too small for the multiple options and benefits offered by many self-funded plans. For example, on the SBC “if you have a test” section for diagnostic test (x-ray, blood work, imaging, etc) may have different levels of reimbursement depending on place of service – office, independent facility or outpatient hospital.
6. Please remove the requirement to include a SBC with an RFP.

Our recommendations are based on over 30 years of experience as a TPA in the self-funded market. We represent 46 self-funded clients that provide benefits to over 20,000 members. Thank you for the opportunity to comment as well as the opportunity to improve compliance with the changes so that they better fit self-funded plans.



Eric Ludwig, SPHR, President