FAQS ABOUT AFFORDABLE CARE ACT IMPLEMENTATION (PART X)

August 7, 2012

Set out below is an additional Frequently Asked Question (FAQ) regarding implementation of the summary of benefits and coverage (SBC) provisions of the Affordable Care Act. This FAQ has been prepared jointly by the Departments of Labor, Health and Human Services (HHS), and the Treasury (the Departments). Like previously issued FAQs (available at **http://www.dol.gov/ebsa/healthreform/** and **http://cciio.cms.gov/resources/factsheets/**), this FAQ answers a question from stakeholders to help people understand the new law and benefit from it, as intended.

Q1: I am an employer sponsoring a group health plan. One of the benefit packages is a Medicare Advantage plan. Am I required to provide an SBC for the Medicare Advantage package?

No. Medicare Advantage benefits are Medicare benefits (financed by the Medicare Trust fund and equivalent to Medicare A and B benefits, which are set by Congress and regulated by the Centers for Medicare & Medicaid Services (CMS)). They are, therefore, not health insurance coverage and Medicare Advantage organizations are not required to provide an SBC with respect to such benefits. Pending further guidance, the Departments will not take any enforcement action against a group health plan because it does not provide an SBC with respect to a Medicare Advantage benefit package.[1] This enforcement policy does not affect other disclosure requirements administered by CMS that apply to Medicare Advantage organizations. These separately required disclosures will ensure that enrollees in these plans receive the necessary information about their coverage and benefits. Nor does this policy affect the obligation of group health plans that offer Medicare Advantage benefit options to ensure that SBCs are provided with respect to other benefit packages that they offer.

[1] Note: Previously published guidance makes clear that, if the Medicare Advantage coverage is a separate retiree-only plan, it is exempt from the requirement to provide an SBC. For more information on the exemption for retiree-only plans, see Q1 of Affordable Care Act Implementation FAQs Part III (October 12, 2010), available at **http://www.dol.gov/ebsa/faqs/faq-aca3.html** and **http://cciio.cms.gov/resources/factsheets/aca_implementation_faqs3.html**.