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**To:** [E-OHPSCA2715.EBSA](#)  
**Subject:** comments on the SBC form  
**Date:** Wednesday, October 12, 2011 4:00:48 PM

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Department of Labor:

The March 23, 2012 deadline for production of Summary of Benefits and Coverage is fast approaching and with other requirements of PPACA we are already experiencing the strain to resources in our industry.

On behalf of our employer plan sponsors and TPAs, I would like to respectfully request a delay in the effective date of compliance for at least a year.

Many of PPACA's provisions allowed for a "phase in" aspect by allow compliance to be applicable at the next renewal of the group on or after the effective date of the provision. Applying a "phase in" approach would allow us the opportunity to plan for the production of this new tool, to facility the ability to product these forms in a consistent and reliable manner and improve our ability to comply with the provision timely.

Comments and concerns are listed below:

1. It appears that the proposed Summary of Benefits of Coverage template was created for a fully-insured plan of benefits. A majority of US employers offer self-funded employee benefit plans. NAIC works with state insurance departments in the management of the fully-insured health marketplace, so the SBC, as developed, is more applicable to fully-insured plans. Under ERISA's preemption provisions, state insurance departments generally do not have authority over self-funded welfare benefit plans.
2. Terminology used with the SBC and Glossary, does not coincide with plan language in self-funded plans. This can lead to confusion and misunderstanding for participants covered under a self-funded plan.
3. The template, while it is laid out in a legible format, is not easy to use nor will it be workable for the self-funded plan sponsor or for third party administrators to complete with the correct plan of benefits. Of note, 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 or question the coverage provided to them under their current arrangement as "fully-insured" rather than "self-funded".  
A solution might be to provide a self-funded version of the SBC. Many TPAs would be willing to assist with this project or take part in a discussion or work group to facility the production of a workable SBC for self-funded benefit plans.
4. Due to the customized features of each self-funded plan and the flexible

benefit plans created by employers to serve their employees, each employer's plans may actually require the production of multiple SBCs to address each benefit offering. Generally speaking, standard plans are not used by employers who offer self-funded benefits to their employees.

5. Each summary will have to be individually created at a significant 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.

I sincerely appreciate the opportunity to express my opinion and thoughts regarding the SBC. I also consider the SBC a good idea and could be a simplified way to improve communication to members regarding their benefit options whether they are covered under a self-funded or fully-insured arrangement.

With an extension of the effective date for compliance, with consideration to apply the phase in option of "on or after the renewal date" following the effective date of the provision and with the development or reworking of the SBC to comply with self-funding verbiage and provisions, the SBC can be a successful and useful tool for all members.

**"In the middle of every difficulty lies opportunity." - Albert Einstein**

Best regards,

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