

October 21, 2011

The Honorable Kathleen Sebelius  
Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Room 445-G  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W.  
Washington, DC 20201.

RE: File Code CMS-9982-P; Summary of Benefits and Coverage and the Uniform Glossary

Dear Secretary Sebelius:

As organizations committed to the health and well-being of children, adolescents, and families, we appreciate the opportunity to offer comments on key issues related to implementation of Section 2715 of the Patient Protection and Affordable Care Act (ACA), intended to help consumers better understand their insurance coverage, as well as other coverage options that may be available to them.

Section 2715 requires the creation and use of a standard form for describing health insurance coverage, called the Summary of Benefits and Coverage (SBC), which is understandable to the average consumer. The SBC will be perhaps the most important document consumers will obtain to allow them to make “apples to apples” comparisons of health plans, select the plan that best meets their needs, and better understand their health insurance coverage. Section 2715 also calls for a consumer-friendly Uniform Glossary of Medical and Insurance terms (Glossary) to be developed and made available to further help consumers understand their health plans and provide greater consistency in usage of terms across plans.

The benefits of a standard disclosure form and glossary are many. Consumer confusion regarding health plan terms is well documented. If consumers cannot understand the coverage offered by a plan, they cannot make an informed selection. When consumers do not understand their choices, they often make a decision based on premium alone and find themselves in plans that do not have the coverage they need.

A standard, clear SBC will also likely prove useful to families with children in public coverage in states that serve families through a “premium assistance” model where Medicaid and CHIP funds are used to purchase employer-sponsored or other private coverage. Oftentimes in these programs, families are asked to choose whether or not their children are enrolled in Employer Sponsored Insurance (ESI), and these materials will assist families in making an informed choice. Or, in situations where states provide “wraparound” services to assure that children receive the full Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit in Medicaid, a clear standardized SBC will help ease administrative challenges in assessing the adequacy and cost-effectiveness of their premium assistance programs. Families will also benefit in

understanding what services are covered through their ESI and what services they may be able to obtain through Medicaid.

The proposed rule makes great strides in providing an understandable health insurance disclosure to consumers. Our comments below are intended to ensure that the SBC is useful to as many consumers as possible and that consumers' ability to use the form is monitored and improved over time.

### **Availability of SBC to all private health plan enrollees**

The ACA requires that *all* private health plans provide the SBC and glossary to enrollees and those shopping for coverage—group and non-group, grandfathered and non-grandfathered, inside and outside the Exchange. When consumers use the same form across these settings, as the ACA requires, it allows them to “learn” the form. Investing the time in understanding how to use the form pays off because that knowledge can be applied regardless of the source of private health insurance.

Provision of the uniform SBC to enrollees in employer-sponsored group health plans is particularly important. The vast majority of privately insured people – 150 million non-elderly Americans in 2011 – are covered by employer-sponsored group health plans. If the SBC is not provided to people in these plans, the protections Congress intended under Section 2715 would be denied to most privately insured Americans.

**RECOMMENDATION: Adhere to the requirement in the ACA, and require all private health insurance plans and issuers to use the same form.**

### **Coverage examples**

The ACA requires that the SBC contain a “coverage facts label,” referred to in the proposed rule as “coverage examples,” that would illustrate how a plan’s coverage would apply to claims scenarios for common conditions to assist patients in selecting the plan that best addresses their health care needs. The statute requires that the examples illustrate common benefits scenarios, including specifically “pregnancy and serious or chronic medical conditions” for which recognized clinical practice guidelines are available.

Consumer testing of the prototype coverage examples found the examples to be extremely valuable to consumers. They provided a sense of how much the plan would pay for certain conditions – information that consumers could not calculate on their own. They also helped crystallize the fundamental concept of insurance for many consumers, who otherwise approached their shopping task as an effort to acquire pre-paid health care. Indeed, this was one of the most valuable parts of the SBC form for many consumers. In light of their value to consumers, we recommend that the Departments require inclusion of six medical scenarios in the SBC beginning immediately in 2012.

When selecting the treatment scenarios to include as coverage examples in the SBC, the Departments should choose examples that are relevant to as wide and diverse a population as possible. Specifically, we urge the Departments to take into account the following factors:

- Prevalence of conditions in the population overall.
- Prevalence of conditions in key subpopulations. At least one example should be for a condition prevalent in children and young adults. There should also be at least one example relevant to family coverage since cost sharing operates significantly differently under family coverage compared to self-only coverage.
  - Scenarios that illustrate differences in how health insurance coverage varies for different types of care. Typically, health plans apply different coverage rules, limits, and cost sharing for certain types of benefits – hospitalization, outpatient prescription drugs, rehabilitative services, etc. Selection of coverage illustrations should show consumers how these coverage differences work under each plan.

**RECOMMENDATION: Require inclusion of six medical scenarios in the SBC beginning immediately in 2012. The six examples should be chosen for their relevancy to as wide and diverse a population as possible and include at least one example relevant to children and young adults, such as immunizations.**

### **Glossary of Health Insurance and Medical Terms**

The ACA requires that the Departments consult with the National Association of Insurance Commissioners (NAIC) and a working group of consumer and health industry stakeholders to develop a uniform glossary defining key health insurance terms. As part of this work, the NAIC and its working group recommended the inclusion of a separate definition for “habilitation services” in recognition of the use of this term in the statutory definition of the essential health benefits package. Because habilitative services are provided in order for a person to *attain*, maintain, or prevent deterioration of a skill or function never learned or acquired due to a disabling condition, they are most often provided to children with congenital and developmental disabilities. We strongly support the definition of habilitation services recommended by the NAIC and urge that it be retained in the Glossary without change.

We also suggest that the following additional commonly used health insurance and medical terms be added to the glossary: preventive care; mental health services; substance abuse services; and family planning services. These terms are very important to consumers and are often not clearly understood. However, the definitions should not be written in such a way that would limit benefits and services for children and adolescents. We would urge the Department to work with the pediatric community to define these terms. The definitions should be consumer-tested and vetted with experts in child and adolescent health.

**RECOMMENDATION: Retain without change the definition of “habilitation services” proposed in the Glossary. Expand the listing of terms to include preventive care, mental health services, substance abuse services, and family planning services without defining the terms in such a way that would limit the benefits and services covered.**

Thank you for considering the recommendations of our organizations. If we may be of further assistance, please contact Robert Hall at 202-347-8600 or [rhall@aap.org](mailto:rhall@aap.org). We look forward to continuing to work with you to ensure that families fully understand their health insurance coverage options and are able to select the plans that best meets their needs.

Sincerely,

American Academy of Pediatrics  
American Heart Association/American Stroke Association  
Children's Dental Health Project  
Georgetown University Center for Children and Families  
National Alliance to Advance Adolescent Health  
National Association of Pediatric Nurse Practitioners  
The Children's Partnership