



Outside B'ham 800-451-4318 B'ham 205-871-3229 Fax 205-871-3259

Mailing Address: P.O. Box 660787 • Birmingham, Alabama 35266-0787
Visit us at: www.yourtpa.com

ALTERNATIVE INSURANCE RESOURCES, INC.

October 19, 2011

Department of Labor
Washington, DC

To Whom It May Concern:

Our firm is a third party administrator and we administer self-funded employer group health plans. Our firm has been very involved in complying with all PPACA regulations and making certain our employer groups understand PPACA and its implications.

The deadline for compliance with the Summary of Benefits and Coverage provision of PPACA is fast approaching. We feel there are definite merits in providing the participants with a Summary of Benefits and Coverage and Uniform Glossary but we do have several concerns about the self-funded industry being able to comply in a thorough and manageable manner by March 23, 2012. Some of the key issues are:

1. The current template lends itself to fully insured plans but does not easily adapt to all the nuances of self-funded plans. Each of our plans are distinct with different benefit designs and coverages. Since the vast majority of in force health plans in the United States are self-funded rather than fully insured, this is a major concern. A template for fully insured and a template for self-funded plans would be more workable.
2. The terminology used in self-funded plans does not always match that used by insurance carriers in fully insured plans. Terms in the uniform glossary are not always uniform.
3. For a plan administrator to format a summary for each group and within each group for each tier of coverage and coverage option will be considerably time consuming and expensive and to do so for all groups by March 23rd is even more daunting. Consider the plans that are renewing April 1st, May 1st, June 1st. New summaries may have to be formatted on the heels of the original one due by March 23rd. A much more reasonable approach would be to require the summaries on plan year renewal.
4. We have a concern for the final page of the summary that gives coverage examples – there is a wonderful disclaimer that states this is not a cost estimator but we have great concern that participants will still view it as such and expect their plans to comply. Too many variables have to be considered in trying to complete these coverage examples – do we assume all network providers – do we assume radiology and lab are in office or outpatient? Are the prescription drugs brand, generic, formulary - how many prescriptions are being filled? Under “having a baby” is the participant adding the baby to the coverage? The variables are endless in trying to determine what the cost may be to the participant.

In conclusion, although we feel this provision of PPACA deserves merit, we also feel that the Department of Labor should take another look at the format and the context as they apply to self-funded plans, grant a compliance date extension and consider making the summary of benefits and coverage along with the uniform glossary effective in conjunction with plan year.

Thank you for taking the time to consider our perspectives.

Best regards,

William V. Cable
President Alternative Insurance Resources, Inc.