



Health care reform update

Summary of benefits and coverage

Under the Affordable Care Act, health insurers and employer groups must provide a summary of benefits and coverage (SBC) to applicants, enrollees, and policy or contract holders. This SBC must follow standards set forth by the Department of Health and Human Services (HHS). The mandate becomes effective on or after September 23, 2012 and applies to all group and individual plans except:

- Retiree plans (the mandate doesn't apply to retiree plans that have fewer than two current employees)
- Standalone dental
- Medicare
- Medicaid
- Federal Employees Health Benefits Program (pending confirmation from the U.S. Office of Personnel Management)

For details about the provision and how it may impact your clients, please read the following FAQ.

Q: How is Kaiser Permanente planning to comply with the SBC mandate?

A: Effective September 23, 2012, we'll provide groups with SBCs upon a new group application, upon request, upon renewal, and by the first day of coverage (if the SBC has changed). We'll also provide a notice if there's a material modification in a previously provided SBC.

Q: How will you provide SBCs to renewing groups?

A: If a written application is required in order to renew coverage, we'll provide groups with SBCs at the time we distribute the written application materials. If a written application isn't required, we'll provide SBCs as follows:

- **For auto-renewing groups**—we'll provide SBCs for their preselected plan different set of benefits from the preselected plan, we'll issue a revised SBC after receiving notification of their selected benefits.
- **For manually renewing groups**—if the contract is issued more than 30 days before the anniversary date, we'll provide the SBC no later than 30 days before the anniversary date. If the contract isn't issued more than 30 days before the anniversary date, we'll provide the SBC no later than 7 business days after: a) the date we received the group's written confirmation of plan election, or b) the date we issue the contract, whichever is earlier.

For more information about the summary of benefits and coverage mandate, contact your Kaiser Permanente representative or visit the [Department of Health and Human Services website](http://www.dhhs.gov).



Health care reform update

Summary of benefits and coverage

Q: Will Kaiser Permanente be distributing SBCs directly to employees?

A: Our current plan is to provide SBCs to groups. We'll be looking to the groups to distribute SBCs to participants and beneficiaries for open enrollment and to new hires and special enrollees the rest of the year. The groups would have the required information on their total eligible population to be able to meet this requirement.

Q: Will SBCs be available in electronic or paper format?

A: Electronic SBCs, which you can print, will be available online at brokernet.kp.org. We'll supply a paper SBC to groups who request that format.

Q: Will a glossary be provided with the SBC?

A: Our current plan is to provide a glossary of terms online for both groups and members. We'll also include information in the SBC on how to request a glossary.

Q: Does the SBC requirement apply to all plans and all types of coverage?

A: No. The following plans and coverage are exempt: retiree, standalone dental, Medicare, Medicaid, and Federal Employees Health Benefits Program plans. However, it's possible that, in the future, federal or state government may require us to provide SBCs for some or all of these plans.

Q: Does the SBC requirement apply to self-funded groups?

A: Yes. But it's up to each group to let us know what they need from us to implement the SBC requirements—for example, whether they'll produce the SBC or they'd like Kaiser Permanente to do so.

Q: One of my groups offers multiple Kaiser Permanente plans. Will you be providing an SBC for each plan?

A: Yes, we'll issue separate SBCs for each plan.

Q: If a group offers plans in both Northern and Southern California, will you provide separate SBCs for each?

A: Yes, we'll provide separate SBCs for each region.

Q: Will you provide SBCs to brokers?

A: Yes. SBCs will be available at brokernet.kp.org.

Q: If a member requests an SBC, who provides it?

A: Members may request an SBC from us or their employer. If they request it from their group, their group will provide it. If they request the SBC from us, we'll provide it.



Health care reform update

Summary of benefits and coverage

Q: Does your Member Services department have access to a member's SBC information or will members be directed to contact their employer?

A: Our Member Services department can access SBCs. They can direct members to our website, kp.org, for access to their SBC. They can also order a paper copy to be sent to the member.

Q: Can groups substitute SBCs with a Summary of Plan Description (SPD) or vice versa?

A: No. Federal law requires groups to provide SBCs even if they provide an SPD. However, the SBC can be included as part of the SPD if the information is intact (meaning all together and in the required format) and prominently displayed at the beginning of the SPD (such as immediately after the table of contents). And providing an SBC doesn't meet ERISA requirements for providing an SPD.

Q: What is the "safe harbor" exception?

A: Federal agencies are providing a safe harbor for coverage that begins before January 1, 2014. During that time, they won't impose penalties on plans and groups that are working diligently and in good faith to comply with the SBC regulations. Please let us know if any of your clients are having challenges meeting SBC provisions. This will help us align with the group's intent and plans during the safe harbor period.