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From: Gotto, Krista
Sent: Thursday, August 21, 2014 3:08 PM
Subject: Summary of Benefits and Coverage (SBC) Distribution Required 2014
Attachments: SBC-Plan B 09-01-14_pdf.html; SBC-HDHP 09-01-14_pdf.html; SBC UNIFORM GLOSSARY 10-12_pdf.html; SBC-Plan A 09-01-14_pdf.html; SBC Meritain FAQs_pdf.html; SBC-Plan C 09-01-14_pdf.html



This email is being sent to all of the Superintendents, Board of Managers Members and Bookkeepers we have on file for the Egyptian Trust. If you received this email in error please forward to the appropriate party and contact Krista Gotto (krista.gotto@meritain.com) at the Metro East Service Office of Meritain Health to update the contact information.

Dear Participating Employer Group:

You may recall that prior to the 2013 open enrollment period, we provided you with the SBC's in effect as of September 1, 2013 along with distribution requirements. As discussed at the most recent annual administration meetings, attached are the Summary of Benefits and Coverage (SBC) for Plans A, B, C and HDHP as of September 1, 2014.

Following is additional information concerning timing of distribution, distribution methods and other related regulations surrounding the SBC's.

Group health plans are required to distribute an accurate summary of benefits and explanation of coverage document to plan participants and beneficiaries. Regulations govern who is required to provide the SBC, to whom it should be sent, when it must be sent and what information must be contained within the SBC upon distribution. There are also standards regarding the use of terminology commonly used across the industry to describe benefits. Below are the three most commonly asked questions. Please make note of the events that would trigger the requirement to provide an SBC and the penalties that may occur should you fail to do so. I have attached a much more lengthy document that includes other questions you may have so please feel free to review it at your convenience. In the meantime, I've attached the SBC Uniform Glossary, SBC's for Plans A, B, C, and HDHP, and the talking points and FAQ document that may answer other questions you may have.

Are we only required to issue the SBC at open enrollment?

No. There are "triggers" that would require a group health plan to issue the SBC outside of the open enrollment window. Those triggering events and the timing associated with distribution of the SBC are summarized below:

Trigger	Timing	Comments
Enrollment Periods (including open enrollment and enrollment for the newly eligible)	No later than when the plan would provide other written information about the enrollment process.	If the plan does not provide enrollment materials, the SBC must be provided by the first day in which the participant is eligible to enroll in the plan.
Effective date of plan coverage	By the first day of plan coverage.	This action is required only if there are changes to the SBC that were previously provided with enrollment/application materials.
Upon renewal	<p>Re-enrollment required on the part of the participant: Must be provided with other enrollment materials.</p> <p>Re-enrollment is automatic: No later than 30 calendar days prior to the first day of the new plan year.</p>	For plans that offer more than one plan option, they are only required to automatically provide the SBC for which the participant is enrolled; however, if an SBC is requested for another benefit option, that SBC must be provided no later than seven (7) business days from the request.
During special enrollments	No later than 90 calendar days from enrollment.	
Upon request	As soon as possible but no later than seven (7) business days following receipt of the request.	
Upon material modification (during plan year, as defined under ERISA)	60 calendar days prior to the effective date of the material modification.	A notice outlining the changes or a new SBC may be issued to satisfy this requirement.

Do the final regulations include a penalty for noncompliance?

Yes; however, according to U.S. Department of Labor SBC FAQ Part VIII, “Consistent with this guidance, during this first year of applicability, the Departments will not impose penalties on plans and issuers that are working diligently and in good faith to provide the required SBC content in an appearance that is consistent with the final regulations.” The first year of applicability is September 23, 2012 – September 23, 2013.

Any willful and intentional failure to comply with the SBC requirements **may result in a daily penalty of up to \$1,000 per willful failure per participant and up to \$100 a day per participant**

in excise taxes. Each enrollee is considered an independent failure.

Am I permitted to provide the SBC electronically as opposed to printing and mailing the SBC?

The final regulations allow electronic distribution of the SBC as long as certain requirements are met. For participants who are already enrolled in the group health plan, the plan must comply with the Department of Labor’s regulations at 29 CFR 2520.104b–1, unless the SBC is provided as part of an employee’s online enrollment or renewal process.

For participants who are eligible, but not yet covered under the health plan, an SBC may be provided electronically if the format is readily accessible, and a paper copy is available to the individual free of charge and upon request. Plans who post the SBC electronically on an Internet site must inform individuals via a postcard or some other paper form or e-mail that the document is available. They must also provide the web address and their right to obtain a paper copy upon request. A sample postcard was issued as part of Department of Labor FAQ VIII and can be found by accessing the link: <http://www.dol.gov>

Should you have any questions about the information contained in this email please contact me directly. Do not contact Krista Gotto as she will simply be forwarding your questions to me. As a reminder, I will get back to you within 24 hours and almost always sooner than that with an answer. The updated SBC’s will also be posted to www.egtrust.org by the end of business tomorrow.

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