

Additional Guidance Issued on Summary of Affordable Care Act Benefits and Coverage Disclosure Requirements

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The U.S. Departments of Labor, Health and Human Services, and the Treasury recently issued new guidance and templates regarding the summary of benefits and coverage requirement under the Patient Protection and Affordable Care Act.

The U.S. Departments of Labor, Health and Human Services, and the Treasury (collectively, the Departments) recently issued new guidance and templates regarding the requirement under the **Patient Protection and Affordable Care Act (ACA)** that group health plans and health insurance issuers provide a summary of benefits and coverage and a uniform glossary (SBC). This new guidance updates the sample templates for coverage beginning on or after January 1, 2014, and before January 1, 2015, and clarifies the Departments' position on safe harbors and enforcement for this same period.

Background

The ACA generally requires group health plans and health insurance issuers offering group or individual health insurance coverage to provide an SBC to participants and beneficiaries. As described in McDermott's *On the Subject* "[Summary of Benefits and Coverage Disclosure Requirements](#)," the Departments issued final regulations governing the SBC requirement on February 14, 2012, which were generally applicable beginning September 23, 2012.

New Guidance

On April 23, 2013, the Departments issued a series of Frequently Asked Questions (FAQs) XIV clarifying certain aspects of the SBC requirements, along with links to an updated version of the official SBC template and a completed sample SBC. The updated SBC template and sample SBC now include information about whether a plan or coverage provides minimum essential coverage and whether the plan or coverage meets the minimum value requirements (*i.e.*, the plan must cover at least 60 percent of the total allowed cost of benefits that are expected to be incurred under the plan). The updated documents can be found [here](#) and [here](#). These updated documents are applicable with respect to coverage beginning on or after January 1, 2014, and before January 1, 2015. However, noting the administrative burden for plans or issuers that have already begun preparing the SBC for this period based on the previously issued templates, the FAQs provide that the Departments will not

take enforcement action against a plan using the previously issued templates as long as the plan or issuer includes a cover letter or similar disclosure with the SBC stating whether the plan or coverage provides minimum essential coverage and meets the minimum value requirements. The FAQs include sample language for such a disclosure.

The FAQs also clarify that plans and issuers should continue to answer questions on the SBC template regarding annual limits even though plans are prohibited from imposing annual limits on essential health benefits effective for plan or policy years beginning on or after January 1, 2014. The SBC should include detailed information on any limits on specific covered benefits that are *not* essential health benefits. In addition, the FAQs provide that additional coverage examples are not required as part of the SBC at this time, and the Departments extend the safe harbors and enforcement relief related to the SBC requirement that were set forth in previously issued guidance. This relief is extended through the second year of the SBC requirement applicability (coverage beginning on or after January 1, 2014, and before January 1, 2015).

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