



## **SUMMARY OF BENEFITS AND COVERAGE (SBC) DISTRIBUTION REQUIREMENTS FOR EMPLOYERS**

As a result of the 2010 Patient Protection and Affordable Care Act, Employers are required to distribute a uniform benefit summary to all covered participants and beneficiaries. The summary of Benefits and Coverage (SBC) follows a specific format as developed by the Departments of Labor, Health and Human Services, and Treasury. Beginning in 2014, SBC should indicate if plan provides “minimal essential coverage” and “minimum value”. The purpose of the SBC is to allow consumers to better understand their benefits and compare available options.

Employers are required to provide the SBC at specified times per year:

### NEW HIRE

It is recommended that the SBC should be provided with distribution of initial enrollment materials. If no materials are distributed, the SBC must be given no later than first day that the subscriber is eligible to enroll.

### RENEWAL

If plan renewal selection involves written documentation (i.e. signed rate sheets, group application, etc.), the SBC must be provided no later than the date on which the materials are distributed. If no written documentation is required, the SBC must be provided no later than 30 days prior to the first day of the new plan year. Eligibility to change coverage during open enrollment would require SBC distribution with open enrollment materials.

If a group changes to a different insurance carrier, SBC distribution should occur within 7 days of the notification that the new plan has been approved.

### SPECIAL ENROLLEES

Members who have a qualifying event are required to receive their SBC no later than 90 days from enrollment.

### MATERIAL MODIFICATION

This is typically for a mid-year plan change. SBC be distributed no more than 60 calendar days before the effective date of the coverage change.

### EMPLOYEE REQUEST

If an employee requests a copy of his/her SBC, the SBC must be provided within 7 business days after the date of the request.

Addition information can be found on the Department of Labor Website:

<http://www.dol.gov/ebsa/faqs/faq-aca8.html>