

Compliance Alert

DOL Delays Implementation of Summary of Benefits and Coverage (SBC) Rules

November 18, 2011

In a short statement released on its website on November 17th, the Department of Labor (DOL) has provided a welcomed delay in the implementation of the new Summary of Benefits and Coverage (SBC) Rules contained in the Affordable Care Act (ACA).

The ACA requires that health insurance carriers, and employer sponsored health plans, provide an SBC to participants and enrollees beginning in March 2012. Proposed regulations were released in August 2011 which contained very specific content and delivery requirements. The regulatory agencies collected public comments on the proposed regulations through October. During the comment period there was significant concern expressed by health insurers and employers about the short time frame before the requirement was scheduled to go into effect.

In response to these concerns, the DOL has stated that carriers and plans will not be required to provide the SBC until after final regulations are issued. The announcement also states the actual effective date of the SBC rules will be announced in the final regulations and *"the final regulations...will include an applicability date that gives group health plans and health insurance issuers sufficient time to comply"*.

Final regulations are expected soon. However, based on the DOL statement, it is anticipated that there will be a significant period of time provided after the rules are released to allow health plans and employers to implement the necessary changes.

The complete DOL statement is included below:

The Departments received many comments on the proposed regulations and templates and intend to issue, as soon as possible, final regulations that take into account these comments and other stakeholder feedback.

PHS Act section 2715 provides that group health plans and health insurance issuers shall provide the Summary of Benefits and Coverage and Uniform Glossary pursuant to standards developed by the Departments. Accordingly, until final regulations are issued and applicable, plans and issuers are not required to comply with PHS Act section 2715.

It is anticipated that the Departments' final regulations, once issued, will include an applicability date that gives group health plans and health insurance issuers sufficient time to comply.

The McCart Group will continue to update you on the regulations as they are released.

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